

State of Alaska FY2002 Governor's Operating Budget

Department of Environmental Conservation

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Department Mission

Protect human health and the environment.

Department Goals and Strategies

- 1) PROTECT PUBLIC HEALTH AND PROMOTE ECONOMIC DEVELOPMENT AND JOBS THROUGH UPGRADES IN ALASKA'S WATER, WASTEWATER AND SOLID WASTE INFRASTRUCTURE.
 - Provide financial aid and technical assistance to communities for upgrading water, sewage, and solid waste systems.
 - Provide the training, education, and technical assistance necessary for communities to properly operate, maintain, and manage water and sewerage systems to safeguard health and the state's investment in sanitation facilities.
 - In collaboration with the engineering community, establish and implement design standards for domestic wastewater systems that can successfully treat sewage over time with proper maintenance.
- 2) IMPROVE PERMIT APPLICATION, APPROVAL AND TRACKING.
 - Expand internet services for on-line permitting, application and information.
 - Where appropriate, increase usage of general permits and "permit by rule" to expedite and reduce costs of permitting.
 - Provide wastewater permitting services at the level funded by the legislature, implementing recommendations of the stakeholder workgroup on wastewater permitting.
- 3) IMPROVE AQUATIC HABITAT AND ECONOMIC USES OF ALASKA WATERS.
 - Reduce pollutants to waters through implementation of non-point source water pollution strategies and participation in coastal activities.
 - Assist local watershed activities and promote watershed protection by providing planning, leadership, public outreach, education, and financial support.
 - Improve water quality conditions in impaired water bodies to reclaim health and support multiple uses.
 - Reduce pollutants to waters from cruise ship waste disposal through continued research to determine current impacts and implementation of steering committee recommendations, agreements, protocols and procedures.
 - Develop an interdisciplinary, collaborative Alaska team that includes federal, state and local governments; native organizations; non-governmental organizations; and concerned citizens and coordinate activities to examine and develop factual information on persistent organic pollutants (arctic contaminants).
- 4) DEVELOP AND PRESENT MEASURES TO HELP THE PUBLIC JUDGE ALLOCATION OF RESOURCES.
 - Begin collection of data to report on performance measures, and report results and outcomes where data exists.
 - Present to the legislature, department stakeholders, and the general public a program priority funding matrix which illustrates the allocation of general funds to services.
 - Prepare and present funding projections for the oil and hazardous waste response fund to begin discussion on how to address impacts of the rapidly declining available funds.

Key Department Issues for FY2001 – 2002

DETERMINING APPROPRIATE LEVELS OF STATE PUBLIC HEALTH AND ENVIRONMENTAL PROTECTION

Prior budget reductions have significantly reduced the department's capacity to process state wastewater discharge permits and certifications of federal permits. A group of stakeholders has developed and recommended options to rebuild a comprehensive and efficient state water discharge permit program. These options involve resolution of a variety of issues concerning risk based permitting mechanisms, field and enforcement strategies, permit fees and related questions. The division will begin implementing those recommendations in FY2001 with full implementation expected in FY2002.

To succeed in any market, food businesses must provide safe and healthy food products of high quality. If we neglect the support services then all Alaska food processors could suffer if one health problem arises. As a result of the reductions in FY 2000, many thousands of food operations, including fresh/frozen seafood processors are not currently being inspected except on a "complaint-only" basis. In addition, not all higher-risk operations are being routinely inspected. As the number of food operations continue to grow, the number of operations that are not inspected at an appropriate interval will also increase. Inspections are the cornerstone of any food safety program, allowing inspectors to work with operators in meeting our joint obligations to ensure the safety of the commercial food supply. Therefore, a reduction in routine inspections will lead to an increase in the number of reported foodborne illnesses. In the summer of 2000, there were three such incidents. In all of calendar year 1999, there was one foodborne illness outbreak.

The department is responsible for managing the Oil and Hazardous Waste Response Fund to address state spill prevention and response priorities. There has been a significant decline in revenue due to decreasing flow through the Trans-Alaska Pipeline System. Revenues from the Exxon settlement will end in September 2001. In order to sustain the state's long-term spill prevention, preparedness, response and cleanup ability annual funding requests will have to be consistent with the revenue generated by the surcharge.

The State receives federal funds from numerous sources for water quality protection and recovery. Various federal agencies and local governments are also working to preserve and enhance water quality. The Alaska Clean Water Action Plan has been developed by state resource agencies to develop a unified approach to prioritizing and collaborating on water quality projects. The plan will set common principles for decision making at the state level. Federal agencies, local government and other entities are expected to use this roadmap for prioritizing water quality projects. The plan is going through a comprehensive public review and outreach that will be finalized in early 2001. The plan will be used as the basis for identifying needs and priorities for water protection and recovery projects in Alaska.

Contaminants, such as persistent organic pollutants and heavy metals, are appearing in the arctic - in air, water, wildlife, and people. Much of the contamination appears to have moved into the arctic from other countries through air and water currents. Once in the arctic, the contaminants persist longer and concentrate in fatty tissues. The Commissioner's office is leading a program to develop an interdisciplinary, collaborative Alaska team that includes federal, state and local governments; native organizations; non-governmental organizations; and concerned citizens to examine and develop factual information on persistent organic pollutants.

WORKFORCE PLANNING

The department is evolving from a strictly regulatory agency to one where citizens and stakeholders are involved partners. A human resources management program has been established to provide managers with a framework for making staffing decisions based on our organization's mission, strategic plan, and set of necessary workforce competencies. This workforce planning requires strong management leadership, clearly articulated vision, mission, and strategic objectives, and cooperative supportive efforts at all levels within the organization. The challenge is to work with all hiring managers to assist them in identifying the competencies required of a particular position, how to weigh technical skills and behavioral competencies, how to recruit and identify candidates with those competencies for today's workforce, and to prepare for those competencies needed in the future.

Major Department Accomplishments in 2000

DOING IT RIGHT - Three key principles of Doing it Right are sound science; prudent management; and meaningful public involvement that brings all stakeholders to the table. In cooperation with regulated industry, citizens in affected communities, and other governmental agencies, the Department of Environmental Conservation

- is leading detailed discussions about waste management and disposal practices of cruise ships while in state waters and has worked collaboratively with Alaska's cruise ship industry members, government agencies and citizens to produce a number of recommendations, agreements, protocols, reports, and procedures to improve the situation;
- went to federal court to challenge the EPA's decision to reject a state approved air quality permit for the Red Dog mine near Kotzebue; and continues to champion strong, meaningful actions to protect the environment while developing the state's natural resources through responsible management and through the autonomy of an approved state permit program;
- in partnership with Alaska Oil and Gas Association and EPA conducted an Air Permitting benchmark study to examine the permitting programs in other states to learn how to improve Alaska's air permitting services;
- is working with Fairbanks, Anchorage and the EPA to develop effective carbon monoxide control programs to protect public health and avoid the loss of highway funds;
- worked to gain requirements for financial responsibility and contingency planning for non-tank vessels of 400 or more gross ton and railroad operations to ensure adequate spill response and cleanup;
- participated in 48 spill drills and exercises including major equipment deployment drills in Prince William Sound, the Beaufort Sea, and Cook Inlet involving industry, state and federal agencies; and
- approved 78 new, renewal or amended contingency plans, including the Valdez marine terminal and Prince William Sound tanker plans which required extensive agency and public review.

HEALTHY AND SAFE COMMUNITIES - In partnership with regulated industry, citizens in affected communities, and other governmental agencies, the Department of Environmental Conservation

- initiated the second phase of a rapid screening process for paralytic shellfish poisoning;
- identified threats to public health and to the environment by holding outreach workshops, training people to identify, assess, and prioritize problems, and performing voluntary assistance site visits;
- assisted rural communities in completing assessments and developing plans to address their environmental and public health problems;
- helped communities and businesses reduce wastes and prevent pollution, while achieving cost savings;
- coordinated the first-time collection of household hazardous waste and batteries from 10 communities along the Yukon River and eliminated dumping of over 250 fifty-five gallon drums of household hazardous wastes into southeast landfills through department sponsorship, supervision and coordination with those communities;
- ensured prompt and effective cleanup and restoration of the environment from over 65 significant spills and 49 contaminated sites throughout Alaska;
- improved statewide hazardous materials response capability and readiness through training and demonstration exercises coordinated with local officials and successful negotiation of community spill response agreements with eleven local governments (bringing the total to 34) to ensure coordinated response activities; and
- sought, secured, and awarded funding for \$52.4 million in new, low-interest municipal loans to 7 communities for 11 water, wastewater and solid waste projects, \$42.1 million in village safe water program grants for 70 water, wastewater and solid waste projects, and \$18.0 million in state-funded matching grants to 22 communities for 38 water, wastewater and solid waste projects.

Key Performance Measures for FY2002

Measure: The percentage of divisions that meet assigned performance measures.

(Added by Legislature in FY2001 version.)

Current Status:

All divisions are tracking performance measures.

Benchmark:

The goal is for all divisions to track performance on 100% of their assigned performance measures.

Background and Strategies:

The goal is for divisions to track 100% of their assigned performance measures. To accomplish this goal the following strategies will be employed:

- Evaluate merit of performance measures and modify performance measures when necessary; and
- Establish valid benchmarks to determine and/or measure results.

Measure: The percentage of permittees where the department can determine compliance through inspection, monitoring, and/or reporting.

(Revised from Legislature's FY2001 version.)

Current Status:

Programs which are funded with general funds have been the primary targets of budget reductions (Environmental Health and Water) and are least able to determine compliance. The water discharge program data is non-existent. Programs funded by restricted funding which has not been the target of large budget reductions (federal funds, response funds, clean air protection fund) are generally able to complete compliance inspections. The concern grows that the general funded programs can not determine compliance due to under funding, yet those programs involve persistent and life threatening critical public health and environmental issues.

Benchmark:

The goal of the department is to incrementally increase percentage of facilities where it can determine compliance and to increase compliance for those facilities.

Background and Strategies:

To accomplish this goal, the following strategies will be employed:

- Request incremental funding for programs lacking sufficient funds;
- Assess risk of permitted facilities through inspection, monitoring, and/or reports;
- Prioritize facility inspections according to risk;
- Create and maintain a valid inventory or database of permitted facilities, using a department-wide facility identification database;
- Create and maintain automated reporting tools for permitted facilities;
- Use data from permittees to determine compliance; and
- Use third party inspections to determine compliance.

Measure: The number of critical violations in inspected public or private facilities that significantly affect the health or safety of the public.

(Added by Legislature in FY2001 version.)

Current Status:

The data provided by Environmental Health illustrates the dilemma raised by the prior measure. With insufficient general funds, we are unable to inspect all facilities to determine compliance, yet those we do inspect clearly have critical violations. The water program is not doing any effective monitoring and is unable to estimate critical violations. The air program does compliance monitoring but has not looked at critical violations that affect health or safety as part of that evaluation process.

Benchmark:

The goal of the department is to achieve incremental decreases in the number of critical violations in inspected facilities while increasing the frequency of inspections.

Background and Strategies:

To meet this goal we will employ the following strategies:

- Ensure that all programs, whether fee or general fund supported, get sufficient funding to detect critical violations that affect health or safety;
- Increased inspection and monitoring of high risk public or private facilities;
- Peer reviews and inspections performed by affected industries; and
- Educate inspected facilities regarding the impacts of and how to avoid critical violations.

Status of FY2001 Performance Measures

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
<ul style="list-style-type: none"> • Provide basic water and sewerage service to an average of 500 households in rural communities each year. • Reduce carbon monoxide pollution in Anchorage to meet health standards by end of 2003. • Percentage decrease in critical violations at inspected food establishments. • Percentage increase in the number of higher risk facilities inspected. 		X			
		X			
		X			
		X			

Department Budget Summary by BRU

All dollars in thousands

	FY2000 Actuals				FY2001 Authorized				FY2002 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Formula Expenditures None.												
Non-Formula Expenditures												
Administration	1,230.9	999.3	4,865.5	7,095.7	1,230.4	1,072.1	2,069.6	4,372.1	1,406.0	997.4	1,978.4	4,381.8
Environmental Health	6,002.3	2,225.8	350.1	8,578.2	6,683.0	3,451.2	549.6	10,683.8	7,133.5	3,505.6	373.1	11,012.2
Statewide Public Services	169.9	567.8	687.8	1,425.5	169.5	822.5	754.6	1,746.6	170.5	823.7	897.0	1,891.2
Air and Water Quality	2,747.8	2,957.9	4,239.4	9,945.1	3,214.8	3,809.0	3,289.5	10,313.3	3,617.3	5,521.9	2,533.4	11,672.6
Non-Pt Source Pollution Contrl	0.0	1,715.4	0.0	1,715.4	0.0	1,715.4	0.0	1,715.4	0.0	0.0	0.0	0.0
Spill Prevention and Response	0.0	0.0	7,001.9	7,001.9	0.0	8.5	7,628.6	7,637.1	0.0	3,162.7	12,593.9	15,756.6
Contaminated Sites Program	0.0	2,259.4	3,769.7	6,029.1	0.0	3,116.2	3,965.0	7,081.2	0.0	0.0	0.0	0.0
Local Emergency Planning Comm	0.0	0.0	543.4	543.4	0.0	0.0	401.7	401.7	0.0	0.0	0.0	0.0
Facility Constr. & Op.	1,085.7	1,033.6	2,419.5	4,538.8	1,031.1	1,258.4	2,920.3	5,209.8	1,032.9	1,658.5	3,095.0	5,786.4
Totals	11,236.6	11,759.2	23,877.3	46,873.1	12,328.8	15,253.3	21,578.9	49,161.0	13,360.2	15,669.8	21,470.8	50,500.8

Funding Source Summary

All dollars in thousands

Funding Sources	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
1002 Federal Receipts	11,759.2	15,253.3	15,669.8
1003 General Fund Match	3,123.4	2,896.7	2,788.5
1004 General Fund Receipts	5,597.3	6,154.6	7,537.4
1005 General Fund/Program Receipts	2,515.9	3,139.9	3,034.3
1007 Inter-Agency Receipts	6,025.6	905.6	1,096.2
1018 Exxon Valdez Oil Spill Settlement	109.5	632.0	632.8
1036 Commercial Fishing Loan Fund	175.0	175.0	175.0
1052 Oil/Hazardous Response Fund	11,958.8	12,684.3	13,107.0
1053 Investment Loss Trust Fund		137.6	
1061 Capital Improvement Project Receipts	1,962.2	2,261.6	2,245.9
1075 Alaska Clean Water Loan Fund	371.0	461.5	462.8
1079 Storage Tank Assistance Fund	1,019.7	955.4	957.5
1093 Clean Air Protection Fund	1,809.3	2,261.4	2,266.4
1100 Alaska Drinking Water Fund	407.4	525.5	527.2
1108 Statutory Designated Program Receipts	38.8	716.6	
Totals	46,873.1	49,161.0	50,500.8

Position Summary

Funding Sources	FY2001 Authorized	FY2002 Governor
Permanent Full Time	468	480
Permanent Part Time	8	7
Non Permanent	5	4
Totals	481	491

FY2002 Capital Budget Request

Project Title	General Funds	Federal Funds	Other Funds	Total Funds
Village Safe Water Project Administration	0	1,400,000	561,100	1,961,100
Village Safe Water Feasibility Studies	0	2,868,300	956,700	3,825,000
Village Safe Water Projects	0	38,477,300	12,826,600	51,303,900
Municipal Water, Sewer and Solid Waste Matching Grant Projects	0	9,605,000	13,905,600	23,510,600
Environmental Health Food Safety Laboratory Construction	310,000	0	13,654,700	13,964,700
Statewide Contaminated Sites Cleanup	0	0	5,000,000	5,000,000
Small Drinking Water System Operator Certification Project	0	1,276,800	0	1,276,800
Fine Particulate Monitoring	0	477,200	0	477,200
Environmental Monitoring and Assessment Program	0	1,000,000	0	1,000,000
Hazardous Material Response Capabilities for Local Government	0	0	500,000	500,000
Grants and Loans for Cleanup of Underground Storage Tanks	0	0	1,000,000	1,000,000
Oil and Gas Transportation: Aging Infrastructure Issues	0	0	500,000	500,000
Amchitka Workers Health Assessment Project	0	2,340,000	0	2,340,000
Department Total	310,000	57,444,600	48,904,700	106,659,300

This is an appropriation level summary only. For allocations and the full project details see the capital budget.

Overview of Departmental Budget Changes

ADMINISTRATION

Administration sets department policy to protect public health and the environment while promoting economic development and jobs in Alaska. Administration facilitates changes and innovations in department operations by participation in state, federal, and departmental initiatives.

Contaminants, such as persistent organic pollutants (POPS) and heavy metals, are appearing in the arctic - in air, water, wildlife, and people. Much of the contamination appears to have moved into the arctic from other countries through air and water currents. Once in the arctic, the contaminants persist longer and concentrate in fatty tissues. A program coordinator will develop, lead and manage the state's efforts on arctic contaminants.

ENVIRONMENTAL HEALTH

Environmental Health promotes public health through safe water, safe food, and healthy communities. The division continues its focus on education and outreach on public health protection through good sanitary practices as well as the successful implementation of the mandatory hazard analysis critical control point program for seafood. Due to recent budget reductions, the frequency of inspections for high risk facilities has been reduced. The program is proposing to switch \$166,300 in uncollectible statutory designated program receipts to general funds, along with a general fund increment of \$53,700 to increase inspections of high-risk food operations performed once a year by 36%, without increasing fees.

STATEWIDE PUBLIC SERVICES

Statewide Public Services protects public health and the environment by assisting individuals, businesses, and communities to assess, solve and prevent their environmental problems. Statewide Public Services helps small communities and businesses which lack expertise and funds to address their environmental problems. The voluntary compliance services offered by this division build capability to tackle the environmental problems most serious to community health and environment.

No significant changes in budget are proposed.

AIR AND WATER QUALITY

Air and Water Quality protects public health and the environment by identification and prevention of pollution of the state's air and water. This includes monitoring programs, non point source protection programs, and permitting programs.

No significant changes in budget are proposed.

SPILL PREVENTION AND RESPONSE

Spill Prevention and Response protects public health and the environment through the reduction of unlawful oil and hazardous substance contamination. This includes preventing, preparing for, responding to and ensuring the cleanup of unauthorized discharges of oil and hazardous substances and ensuring that the best spill prevention technology is used in the production, storage and transportation of oil and hazardous substances.

Due to the BP/Phillips merger charter for development of the Alaskan North Slope, additional public - private efforts will be required to coordinate the assessment and cleanup of "orphaned" contaminated sites and the spill prevention and response portion of the Environmental Commitment associated with oil field development. Among the partners are British Petroleum, Phillips Alaska, Inc., and agencies at the state (Natural Resources, Transportation and Public Facilities, Fish and Game) and federal (Bureau of Land Management, Corps of Engineers, Fish and Wildlife Service) levels that may have a regulatory responsibilities associated with this matter. Costs will be reimbursed by British Petroleum based on the agreement in the charter for development of the Alaskan North Slope.

Commencing in FY 2001, contingency plans and proof of financial responsibility are required of all self-propelled nontank vessels exceeding 400 gross registered tonnage and for railroad tank cars. Over 1,000 additional vessels

and tank cars have applied under this requirement. The program is being expanded by \$77,500 to fund a permanent position to process and review financial responsibility documentation, maintain the associated database, and issue certificates of financial responsibility for newly regulated vessels and tank cars.

FACILITY CONSTRUCTION AND OPERATION

Facility Construction and Operation promotes public health and environmental protection through financial and technical assistance to communities for the construction and operation of water, wastewater, and solid waste management facilities.

The Remote Maintenance Worker program is being extended to the Aleutian and Pribilof Islands--the only portion of the State not currently covered by the program.

The operator training and certification program is being expanded to include the 650 small public drinking water system operators not currently participating in the program, as required by changes in the federal law.

Summary of Department Budget Changes by BRU

From FY2001 Authorized to FY2002 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	12,328.8	15,253.3	21,578.9	49,161.0
Adjustments which will continue current level of service:				
-Administration	-124.4	-74.7	-91.2	-290.3
-Environmental Health	323.6	54.4	-175.2	202.8
-Statewide Public Services	1.0	1.2	142.4	144.6
-Air and Water Quality	402.5	-2.5	-615.4	-215.4
-Spill Prevention and Response	0.0	38.0	203.0	241.0
-Facility Constr. & Op.	1.8	0.1	9.6	11.5
Proposed budget decreases:				
-Environmental Health	-2.0	0.0	-1.3	-3.3
-Air and Water Quality	0.0	0.0	-140.7	-140.7
-Spill Prevention and Response	0.0	0.0	-291.3	-291.3
Proposed budget increases:				
-Administration	300.0	0.0	0.0	300.0
-Environmental Health	128.9	0.0	0.0	128.9
-Spill Prevention and Response	0.0	0.0	686.9	686.9
-Facility Constr. & Op.	0.0	400.0	165.1	565.1
FY2002 Governor	13,360.2	15,669.8	21,470.8	50,500.8

Administration Budget Request Unit

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BRU Mission

Protect human health and the environment.

BRU Services Provided

- Sets policy and performs overall management to ensure that the department works cooperatively with regulated businesses, communities, and the public to achieve clean air, land, water and a healthy environment.
- Provides structural organization emphasizing customer service and reflecting sound fiscal policy.
- Ensures priority program emphasis.
- Anticipates needs and provides timely and responsive support for the department's programs and personnel.

BRU Goals and Strategies

- 1) INCREASE EMPHASIS ON PREVENTATIVE MEASURES TO DECREASE EMERGENCY RESPONSE CRISIS MANAGEMENT.
 - Actively participate as a value-adding business partner providing solutions and services in support of our programs and customers' missions and changing needs.
 - Be aware of and seek out useful innovative technologies.
 - Provide clear expectations and open, two-way communication.
- 2) FACILITATE CHANGE AND INNOVATION IN DEPARTMENT OPERATIONS.
 - Provide customers and clients access to technical assistance within the department.
 - Expand and enhance department-wide information assistance including Internet access.

Key BRU Issues for FY2001 – 2002

The department is evolving from a strictly regulatory agency to one where citizens and stakeholders are involved partners. A human resources management program has been established to provide managers with a framework for making staffing decisions based on our organization's mission, strategic plan, and set of desired workforce competencies. This workforce planning requires strong management leadership, clearly articulated vision, mission, and strategic objectives, and cooperative supportive efforts at all levels within the organization. The challenge is to work with all hiring managers to assist them in identifying the competencies required of a particular position, how to weigh technical skills and behavioral competencies, how to recruit and identify candidates with those competencies for today's workforce, and to prepare for those competencies needed in the future.

Alaska statute authorizes the department to collect fees for certain services and to recover costs for other services. Currently, the department uses a variety of different software packages, programs, and systems to track time, to bill, collect costs, and report. An aggressive effort has begun to acquire a system to be used by all department programs for time tracking, invoicing, billings, collections, and reporting. The department also plans to use the web for the time tracking and invoicing processes.

With the reduction in general funds and increases in restricted funding sources, the Commissioner's Office must ensure that the public in general, and its stakeholders in particular, understand the limitations on services which the department can provide.

Major BRU Accomplishments for FY2000

Alaskans are concerned about how the cruise ship industry is impacting air and water, and what the industry is doing to control and mitigate the wastes it creates. The department is leading detailed efforts with Alaska's cruise ship industry and the state and federal government to control waste management and disposal practices of cruise ships while in state waters. Initial discussions began at a forum held December 1999 on standards and practices concerning solid and liquid wastes that would take the cruise ship industry beyond minimal compliance. An Executive Steering Committee convened in January 2000 to direct work groups in air quality management; oil pollution response; wastewater and solid waste management; and environmental leadership. Working collaboratively with industry members, government agencies and citizens' groups, these work groups met in a series of open meetings between February and May 2000 and produced a number of recommendations, agreements, protocols, reports, and procedures. The findings and efforts of the work groups were published in a draft report and summarized in a public meeting of the Executive Steering Committee on May 17, 2000.

In December 1999 the Environmental Protection Agency rejected an air quality permit issued by the department to Cominco for a new diesel generator to support production at the Red Dog Mine near Kotzebue. The state and Cominco later filed a suit in federal court challenging the EPA decision, and most recently the state has filed a final joint brief in the case before the Ninth Circuit Court of Appeals seeking to overturn the EPA over-stepping its authority in mandating the Cominco permit. The department continues to champion strong, meaningful actions to protect the environment while developing the state's natural resources through responsible management and through the autonomy of an approved state permit program.

Consistent with the commissioner's vision to change our attitudes and systems for data management, continued the department's shift from an emphasis on infrastructure (hardware for local area networks) to emphasis on data integration with public access inquiry ability. The department has implemented a facility identification template for states into a database with a web front-end, and plans for a geographic information system interface. This goal of one stop reporting will reduce the reporting burden on industry, will facilitate multi-media and geographic solutions to environmental concerns, and will provide easy-to-use public access to meaningful environmental information.

Administration

BRU Financial Summary by Component

All dollars in thousands

	FY2000 Actuals				FY2001 Authorized				FY2002 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Formula Expenditures												
None.												
Non-Formula Expenditures												
Y2K	0.0	0.0	75.0	75.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Office of the Commissioner	286.3	101.7	138.5	526.5	295.4	104.3	0.6	400.3	600.2	104.9	0.0	705.1
Administrative Services	944.6	897.6	4,542.5	6,384.7	935.0	967.8	1,437.0	3,339.8	805.8	892.5	1,345.6	3,043.9
Exxon Restoration	0.0	0.0	109.5	109.5	0.0	0.0	632.0	632.0	0.0	0.0	632.8	632.8
Totals	1,230.9	999.3	4,865.5	7,095.7	1,230.4	1,072.1	2,069.6	4,372.1	1,406.0	997.4	1,978.4	4,381.8

Administration**Proposed Changes in Levels of Service for FY2002**

Contaminants, such as persistent organic pollutants and heavy metals, are appearing in the arctic - in air, water, wildlife, and people. Much of the contamination appears to have moved into the arctic from other countries through air and water currents. Once in the arctic, the contaminants persist longer and concentrate in fatty tissues. The Commissioner's office is leading a program to develop an interdisciplinary, collaborative Alaska team that includes federal, state and local governments; native organizations; non-governmental organizations; and concerned citizens to examine and develop factual information on persistent organic pollutants.

Administration**Summary of BRU Budget Changes by Component****From FY2001 Authorized to FY2002 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	1,230.4	1,072.1	2,069.6	4,372.1
Adjustments which will continue current level of service:				
-Office of the Commissioner	4.8	0.6	-0.6	4.8
-Administrative Services	-129.2	-75.3	-91.4	-295.9
-Exxon Restoration	0.0	0.0	0.8	0.8
Proposed budget increases:				
-Office of the Commissioner	300.0	0.0	0.0	300.0
FY2002 Governor	1,406.0	997.4	1,978.4	4,381.8

Component: Office of the Commissioner

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Component Mission

Provide support and policy direction to the divisions in the department.

Component Services Provided

- Develop partnerships and work cooperatively with the regulated community and other department stakeholders to protect public health and the environment.
- Lead department employees to accomplish department priorities and performance measures.
- Represent the department's authorities and interests on the Governor's cabinet.
- Work with the legislature on the department's budget and legislative priorities.
- Represent the department's interests on the Exxon Valdez Trustees Council, State Emergency Response Commission, and Alaska Coastal Policy Council.

Component Goals and Strategies

- 1) USE THE BEST AVAILABLE SCIENCE AND STAKEHOLDER INPUT TO ACHIEVE STANDARDS FOR CLEAN AIR, LAND, WATER, AND THE ENVIRONMENT.
 - Increase the number of stakeholder working groups to evaluate and recommend changes to department priorities and policies.
- 2) PROVIDE EASY PUBLIC ACCESS TO DEPARTMENT INFORMATION AND TECHNICAL ASSISTANCE
 - Expand and enhance a web page and a department-wide Internet information assistance system.
 - Establish public assistance centers within department office locations.

Key Component Issues for FY2001 – 2002

With the reduction in general funds and increases in restricted funding sources, the Commissioner's Office must ensure that the public in general, and its stakeholders in particular, understand the limitations on services which the department can provide.

Major Component Accomplishments for FY2000

Alaskans are concerned about how the cruise ship industry is impacting air and water, and what the industry is doing to control and mitigate the wastes it creates. The department is leading detailed discussions with Alaska's cruise ship industry and the state and federal government about waste management and disposal practices of cruise ships while in state waters. In December 1999 Commissioner Michele Brown convened a forum designed to thoroughly review the industry's waste management and disposal practices, and to publicly discuss what is currently being done and what should be done to improve the situation. DEC asked the U.S. Coast Guard, the EPA, and the Southeast Conference (a group representing Southeast Alaska communities) to join cruise ship industry officials in this discussion of ways to improve controls on cruise ship pollution. Four work groups were chartered by the leaders from the above organizations (the "Steering Committee") to undertake fact finding on air emissions, wastewater discharges, waste disposal management, oil spill prevention and response, and environmental leadership. In a series of open meetings between February and May 2000, these work groups endeavored to:

- Identify the waste streams and spill risks from cruise ships that could impact Alaska's air and water resources;

- Develop pollution prevention and waste management solutions, including better technology and management practices, that will eliminate or reduce impacts;
- Assess what process is needed to verify compliance; and
- Keep Alaskans informed.

The Work Groups completed the first part of their activities in May 2000. Although working under an aggressive schedule, industry members, government agencies and citizens' groups produced a number of recommendations, agreements, protocols, reports, and procedures to address the four objectives listed above. Agreement was also reached to conduct random, third party wastewater analysis of all cruise ships throughout the 2000 season. Wastewater samples for priority pollutants, a list of 126 toxic compounds adopted by Congress in 1977, were collected and analyzed from twenty-one large cruise ships that ply Alaska's waters. Initial reviews by DEC, the U.S. Coast Guard, and EPA of the raw wastewater sample results for priority pollutants underscore the need for continued efforts to reduce the impacts of wastewater discharges in Alaska's waters.

In December 1999 the Environmental Protection Agency rejected an air quality permit issued by the department to Cominco for a new diesel generator to support production at the Red Dog Mine near Kotzebue. The state and Cominco later filed a suit in federal court challenging the EPA decision, and most recently the state has filed a final joint brief in the case before the Ninth Circuit Court of Appeals seeking to overturn the EPA over-stepping its authority in mandating the Cominco permit. The department continues to champion strong, meaningful actions to protect the environment while developing the state's natural resources through responsible management and through the autonomy of an approved state permit program.

Statutory and Regulatory Authority

AS 46.03.010; AS 46.08.040; AS 46.08.050

Key Performance Measures for FY2002

Measure: The number of times the Commissioner's Office was involved in adjudicating a state permit decision or in changing a federal standard or decision.

(Revised from Legislature's FY2001 version.)

Current Status:

Spill Prevention and Response - In the last three years, oil discharge and contingency plans for Prince William Sound tankers, Alliance fuels, the Valdez Marine Terminal and the Trans-Alaska Pipeline have been adjudicated.

Air - Challenged unnecessary federal restrictions and over filing on an air permit issued to Cominco under the state delegation for air primacy.

Water - The state certification of the log transfer facility general permit is currently under adjudication. Removal of the state from the National Toxics rule for arsenic.

Benchmark:

Reduction in number of disputes on state permits requiring adjudication. Increased number of federal standards or decisions modified for Alaska's unique conditions.

Background and Strategies:

To accomplish reduced adjudication's, the following strategies will be employed:

Shift focus from permitting and emphasize monitoring to determine results of permit decision

Develop and offer alternatives for informal dispute resolution

Increase staff training in consensus-based decision making and conflict resolution

To accomplish Alaska appropriate federal rules and standards, the following strategies will be employed:

Where it's important for industry to "Alaskanize" a federal rule, we will dedicate all necessary resources to assist;
 Be proactive in identifying federal rules and regulations that do not make sense in the State of Alaska;
 Actively participate in national and interstate forums; and
 Encourage industry, the environmental community, and the public to actively communicate to the department federal issues of concern.

Status of FY2001 Performance Measures

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
<ul style="list-style-type: none"> The percentage of divisions that meet assigned performance measures. The percentage of permittees in compliance with state law or regulation. The number of critical violations in inspected public or private facilities that significantly affect the health or safety of the public. The average time taken to adjudicate a decision in permit disputes. 		X			
					X
					X
					X

Office of the Commissioner
Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	372.5	338.4	455.8
72000 Travel	48.2	21.5	56.5
73000 Contractual	102.5	38.1	165.5
74000 Supplies	3.3	2.3	12.3
75000 Equipment	0.0	0.0	15.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	526.5	400.3	705.1
Funding Sources:			
1002 Federal Receipts	101.7	104.3	104.9
1004 General Fund Receipts	286.3	293.7	600.2
1007 Inter-Agency Receipts	138.5	0.0	0.0
1053 Investment Loss Trust Fund	0.0	1.7	0.0
1108 Statutory Designated Program Receipts	0.0	0.6	0.0
Funding Totals	526.5	400.3	705.1

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
<u>Unrestricted Revenues</u>						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
<u>Restricted Revenues</u>						
Federal Receipts	51010	101.7	104.3	104.3	104.9	104.9
Interagency Receipts	51015	138.5	0.0	0.0	0.0	0.0
Statutory Designated Program Receipts	51063	0.0	0.6	0.6	0.0	0.0
Restricted Total		240.2	104.9	104.9	104.9	104.9
Total Estimated Revenues		240.2	104.9	104.9	104.9	104.9

Office of the Commissioner

Proposed Changes in Levels of Service for FY2002

Contaminants, such as persistent organic pollutants and heavy metals, are appearing in the arctic - in air, water, wildlife, and people. Much of the contamination appears to have moved into the arctic from other countries through air and water currents. Once in the arctic, the contaminants persist longer and concentrate in fatty tissues. The Commissioner's office is leading a program to develop an interdisciplinary, collaborative Alaska team that includes federal, state and local governments; native organizations; non-governmental organizations; and concerned citizens to examine and develop factual information on persistent organic pollutants.

Summary of Component Budget Changes

From FY2001 Authorized to FY2002 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	295.4	104.3	0.6	400.3
Adjustments which will continue current level of service:				
-Convert Special FY2001 Labor Cost Fund Sources to GF	0.6	0.0	-0.6	0.0
-Year 2 Labor Costs - Net Change from FY2001	4.2	0.6	0.0	4.8
Proposed budget increases:				
-Support for Arctic Contaminants Program	300.0	0.0	0.0	300.0
FY2002 Governor	600.2	104.9	0.0	705.1

Office of the Commissioner

Personal Services Information

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	5	6	Annual Salaries	353,455
Part-time	0	0	COLA	7,353
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	108,080
			<i>Less 2.79% Vacancy Factor</i>	(13,088)
			Lump Sum Premium Pay	0
Totals	5	6	Total Personal Services	455,800

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Commissioner	1	0	0	0	1
Dep Commissioner	0	0	1	0	1
Exec Secretary III	1	0	0	0	1
Paralegal Asst II	0	0	1	0	1
Program Coordinator	1	0	0	0	1
Secretary II	0	0	1	0	1
Totals	3	0	3	0	6

Component: Administrative Services

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Component Mission

Provide support services to departmental programs.

Component Services Provided

- Provide support services to customers and clients of the department, other agencies, the legislature and individual department employees.
- Develop and implement sound administrative policies and practices for the department.
- Provide timely and accurate information by answering public inquiries and requests for information.

Component Goals and Strategies

- 1) INCREASE EMPHASIS ON PREVENTATIVE MEASURES TO DECREASE EMERGENCY RESPONSE CRISIS MANAGEMENT.
 - Actively participate as a value-adding business partner providing solutions and services in support of our programs' and customers' missions and changing needs.
 - Be aware of and seek out useful technologies.
 - Have policies and procedures, "how-to" fact sheets, and training support.
 - Increase customer focus and responsiveness through up-front consultations.
 - Provide clear expectations and open two-way communication.
- 2) FACILITATE CHANGE AND INNOVATION IN DEPARTMENT OPERATIONS.
 - Delegate authority to the appropriate lowest level, reducing duplicative and unnecessary reviews.
 - Support good business decisions.
 - Support a team-based approach to problem solving.
 - Invite user input into the decision-making process.
 - Encourage personnel development through training and improved communication to achieve the highest level of excellence in public service.

Key Component Issues for FY2001 – 2002

Alaska statute authorizes the department to collect fees for certain services and to recover costs for other services. Currently, the department uses a variety of different software packages, programs, and systems to track time, to bill, collect costs, and report. An aggressive effort has begun to acquire a system to be used by all department programs for time tracking, invoicing, billings, collections, and reporting. The department also plans to use the web for the time tracking and invoicing processes.

The department is evolving from a strictly regulatory agency to one where citizens and stakeholders are involved partners. A human resources management program has been established to provide managers with a framework for making staffing decisions based on our organization's mission, strategic plan, and set of desired workforce competencies. This workforce planning requires strong management leadership; clearly articulated visions, mission, and strategic objectives; and cooperative supportive efforts at all levels within the organization. The challenge is to work with all hiring managers to assist them identify the competencies required of a particular position, how to weigh technical skills and behavioral competencies, how to recruit and identify candidates with those competencies for today's workforce, and to prepare for those competencies needed in the future. A workgroup was convened to review the department's hiring practices to improve the process and increase our success in hiring or promoting the best qualified applicants. The workgroup focused its efforts on analyzing the behaviors, attitudes, and non-technical skills

that are essential in our changing work place. Unlike formal education or work experience which are seemingly easy to quantify, these behavioral "soft skills" are harder to test, and it has been proven they are harder to teach or train. This vision based recruitment process is a valuable tool to assist hiring managers in selecting candidates who are most likely to succeed in our department considering our mission and our vision - the skills necessary in today's environment.

Major Component Accomplishments for FY2000

On Earth Day 2000, Commissioner Brown went live on the World Wide Web, fielding questions and comments from people around the state. This was a first by a state commissioner using the Internet as a tool to communicate with interested Alaskans. Since that first experience, Commissioner Brown has participated via a chat room on the web with students from Mt. Edgecumbe High School to kick off Pollution Prevention Week. She also took part in a chat on cruise ship issues with high school aged students participating from Kodiak, Sitka, and Anchorage.

As the state agency with the third largest number of federal financial assistance fund sources requiring annual compliance auditing, we improved internal financial auditing capabilities through intensive cross-training of existing resources department-wide to ensure compliance with all laws, statutes, and regulations pertaining to appropriations and generally accepted accounting principles with no additional funding or positions. Such cross training resulted in only two audit recommendations for the fiscal year ended June 30, 1999, both of which have been addressed successfully.

Consistent with the commissioner's vision to change our attitudes and systems for data management, continued the department's shift from an emphasis on infrastructure (hardware for local area networks) to emphasis on data integration with public access inquiry ability. The department has implemented a facility identification template for states into a database with a web front-end, and plans for a geographic information system interface. This goal of one stop reporting will reduce the reporting burden on industry, will facilitate multi-media and geographic solutions to environmental concerns, and will provide easy-to-use public access to meaningful environmental information.

Statutory and Regulatory Authority

AS 46.03.010; AS 46.08.040; AS 46.08.050

Key Performance Measures for FY2002

Measure: The percentage of employee complaints and grievances filed and resolved at the departmental level as compared to all other departments.

(Added by Legislature in FY2001 version.)

Current Status:

The department has tracked numbers of grievances but only recently began to track disposition of those grievances. Some grievances take more than one year to resolve. Pending complaints and grievances is a total of unresolved from the prior calendar year added to new from this calendar year.

Benchmark:

The goal of the department is to resolve 90% or more of complaints and grievances within the department.

Background and Strategies:

Grievances are disputes that relate only to application of contract provisions or contractual violations, while complaints are defined as any controversy or dispute that does not involve the application or interpretation of contract provisions. The department is involved at every step of the grievance/complaint process and normally must approve all grievance settlements, even when resolved by labor relations. The table above provides a listing of disputes resolved as a percentage by department in the last two years.

To achieve the goal of the department, the following strategies will be used:

Conduct regular preventative meetings with union representatives;
Provide supervisory training to ensure supervisors comply with contractual agreements;
Establish clear performance measures at the employee level;
Mediate and resolve problems before a complaint or grievance is filed; and
Update and revise evaluation process/forms to provide meaningful, timely feedback tools.

Measure: The percentage of employee grievances overturned by hearing officers as compared to all other departments.

(Added by Legislature in FY2001 version.)

Current Status:

In FY98, no department grievances were overturned at hearing. In FY99, one department grievance was partially overturned at hearing. Currently, in FY00, no grievances have been overturned. Cumulatively, one department grievance reached arbitration in the last three fiscal years and the department received a partial decision.

Benchmark:

The goal of the department is to have less than 5% of grievances overturned by a hearing officer.

Background and Strategies:

Arbitration is the negotiated process the employer and the unions agreed to use to resolve allegations of contract violations or to enforce the terms of the contract. Grievances are disputes that relate to application or interpretation of a specific contract provision, allegations of a specific contractual violation, or used to bring enforcement of a specific contractual term or article.

To achieve the goal of the department, the department will employ the same strategies as the previous measure.

Measure: The percentage of indirect costs collected for the commissioner and the administrative services division and for shared overhead costs.

(Added by Legislature in FY2001 version.)

Current Status:

For the last several years the department has slightly reduced the percentage of funds being collected to cover indirect costs.

Benchmark:

The goal of the department is to maintain or decrease the indirect funding relative to total dollars.

Background and Strategies:

The goal is to provide effective support services at the lowest possible cost and to manage shared costs to reduce those costs. For example, the department was able to reduce telephone costs through consolidation of billings. To achieve this goal, services will be evaluated using the following criteria:

Is the task required by statute;
Is the task required by federal regulation;
What consequences occur if the task is not completed;
What level of detail is required;
What level of staff knowledge and training is required to perform the task;
Is there another way we can purchase these services at a lower cost;
Will an additional investment now lead to efficiencies or savings in the future;
Does this cost benefit only a specific program(s) and therefore be charged directly to the program; and
Does a reduction in program funding reduce the needs for indirect services or costs?

Measure: The percentage of penalties for total payroll or vendor payments per year.*(Added by Legislature in FY2001 version.)***Current Status:**

The department has not paid any penalty payroll in the last ten years. The annual percentage of penalties for vendor payments is very low, well below 1% of total payments.

Benchmark:

The department will limit penalty pay to less than 0.1%.

Background and Strategies:**Payroll:**

The department currently has almost 500 employees. With 24 pay periods each year, the department completes about 12,000 payroll transactions annually. Employees are paid from different accounts and, when combined with additional parameters such as bargaining unit and overtime, the potential for error rises dramatically. To ensure that the goal is met, the department will explore new technologies and methods for time and payroll purposes. For example, the use of electronic timesheets and the possibility of eliminating timesheets for overtime-exempt employees claiming pay for a single funding code.

Vendors:

The department strives to make vendor payments as close to the due date as possible. To accomplish this we attempt to enter payments five days prior to the invoice due date. Delays occur when approvals are not available; an invoice is delayed; or insufficient information is provided on an invoice. To ensure prompt payments we centralized tracking of travel charges, train staff on invoice processing, and review statements to monitor outstanding invoices.

Measure: The number of audit exceptions resolved.*(Added by Legislature in FY2001 version.)***Current Status:**

From fiscal year 1996 to 1998 the department has reduced the audit exceptions by 59%. In addition, 100% of audit exceptions have been resolved.

Benchmark:

The goal of the department is to eliminate audit exceptions and to resolve any valid exceptions that do occur within six months of notification.

Background and Strategies:

The department makes the identification and resolution of potential audit exceptions a high priority. To meet this goal we:

Review prior audit issues to identify current areas of need;

Identify the appropriate staff level to resolve issues; and

Assign tasks to clearly identify staff responsible for technical processing and those responsible for compliance monitoring.

Status of FY2001 Performance Measures

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
<ul style="list-style-type: none"> The percentage of employee complaints and grievances filed and resolved at the departmental level as compared to all other departments. 		X			

Component — Administrative Services

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
<ul style="list-style-type: none"> • The percentage of employee grievances overturned by hearing officers as compared to all other departments. • The percentage of indirect costs collected for the commissioner and the administrative services division and for shared overhead costs. • The percentage of penalties for total payroll or vendor payments per year. • The number of audit exceptions resolved. 		X X X X			

Administrative Services

Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	2,727.4	2,815.1	2,519.2
72000 Travel	80.6	35.9	35.9
73000 Contractual	2,898.1	449.8	449.8
74000 Supplies	168.2	25.0	25.0
75000 Equipment	510.4	14.0	14.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	6,384.7	3,339.8	3,043.9
Funding Sources:			
1002 Federal Receipts	897.6	967.8	892.5
1003 General Fund Match	146.5	136.6	138.1
1004 General Fund Receipts	798.1	790.4	667.7
1007 Inter-Agency Receipts	3,211.3	88.9	89.2
1052 Oil/Hazardous Response Fund	1,070.3	1,087.0	996.3
1053 Investment Loss Trust Fund	0.0	8.0	0.0
1061 Capital Improvement Project Receipts	28.6	29.2	29.3
1079 Storage Tank Assistance Fund	136.6	134.5	134.8
1093 Clean Air Protection Fund	95.7	95.7	96.0
1108 Statutory Designated Program Receipts	0.0	1.7	0.0
Funding Totals	6,384.7	3,339.8	3,043.9

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Federal Receipts	51010	897.6	967.8	967.8	892.5	892.5
Interagency Receipts	51015	3,211.3	88.9	88.9	89.2	89.2
Statutory Designated Program Receipts	51063	0.0	1.7	1.7	0.0	0.0
Capital Improvement Project Receipts	51200	28.6	29.2	29.2	29.3	29.3
Clean Air Protection Fund	51207	95.7	95.7	95.7	96.0	96.0
Restricted Total		4,233.2	1,183.3	1,183.3	1,107.0	1,107.0
Total Estimated Revenues		4,233.2	1,183.3	1,183.3	1,107.0	1,107.0

Administrative Services**Proposed Changes in Levels of Service for FY2002**

No significant changes in levels of service are anticipated.

Summary of Component Budget Changes**From FY2001 Authorized to FY2002 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	935.0	967.8	1,437.0	3,339.8
Adjustments which will continue current level of service:				
-Transfer administrative support SPAR/Response Fund Admin	0.0	-31.3	-93.8	-125.1
-Transfer administrative support to division of Environmental Health	-90.8	-31.9	0.0	-122.7
-Convert Special FY2001 Labor Cost Fund Sources to GF	1.7	0.0	-1.7	0.0
-Transfer administrative support to EH/Laboratory Services	-42.0	-14.7	0.0	-56.7
-Year 2 Labor Costs - Net Change from FY2001	1.9	2.6	4.1	8.6
FY2002 Governor	805.8	892.5	1,345.6	3,043.9

Administrative Services**Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	49	44	Annual Salaries	1,958,579
Part-time	0	0	COLA	34,393
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	679,506
			<i>Less 5.74% Vacancy Factor</i>	(153,278)
			Lump Sum Premium Pay	0
Totals	49	44	Total Personal Services	2,519,200

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant III	0	0	2	0	2
Accountant V	0	0	1	0	1
Accounting Clerk I	1	0	0	0	1
Accounting Clerk II	0	0	3	0	3
Accounting Spvr I	0	0	1	0	1
Accounting Tech I	1	0	0	0	1
Accounting Tech II	0	0	3	0	3
Accounting Tech III	0	0	2	0	2
Administrative Assistant	0	1	2	0	3
Administrative Manager II	1	0	0	0	1
Administrative Manager III	0	0	1	0	1
Administrative Svcs Mgr	0	0	1	0	1
Analyst/Programmer IV	0	0	1	0	1
Analyst/Programmer V	0	0	1	0	1
Data Processing Mgr I	0	0	1	0	1
Division Director	0	0	1	0	1
Human Resources Mgr III	0	0	1	0	1
Micro/Network Spec II	1	1	1	0	3
Micro/Network Tech II	1	0	1	0	2
Outreach Administrator	1	0	0	0	1
Personnel Asst I	0	0	2	0	2
Personnel Officer I	0	0	1	0	1
Personnel Specialist I	1	0	2	0	3
Procurement Spec I	1	0	0	0	1
Procurement Spec II	0	0	1	0	1
Program Budget Analyst II	0	0	2	0	2
Program Budget Analyst IV	0	0	1	0	1
Publications Spec II	0	0	1	0	1
Supply Technician I	0	0	1	0	1
Totals	8	2	34	0	44

Component: Exxon Restoration

Contact: Michele Brown, Commissioner

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Component Mission

Ensure that water quality, air quality, and technical standards for shoreline restoration and residual oiling management are included in Exxon Valdez Trustee Council restoration projects.

Component Services Provided

- Provide technical assistance, restoration project management, and policy guidance to the commissioner, the Exxon Valdez Trustee Council, and to communities impacted by the oil spill.
- Resolve outstanding issues of public policy and technical merit concerning the effects of residual oil in the marine and shoreline environment.
- Assure that pollution prevention and safe environmental management are key elements in restoration projects.

Component Goals and Strategies

- 1) **REDUCE THE NEGATIVE ENVIRONMENTAL IMPACTS TO LOCAL COMMUNITIES WITHIN THE AREAS AFFECTED BY THE MARCH 1989 EXXON VALDEZ OIL SPILL IN PRINCE WILLIAM SOUND.**
 - In partnership with the Kodiak Island Borough, oversee installation of community improvements, designed as part of the Master Waste Management Plan, to reduce pollution reaching spill impacted marine waters.
 - Develop local training for seven remote communities impacted by the oil spill to ensure substantial reductions and safe handling of used oil, household hazardous waste, and other pollutants.
 - Work with the Lower Cook Inlet communities involved in environmental planning processes to rank and start installation of community improvements approved in FY01 under the Lower Cook Inlet Waste Management Plan to reduce pollution reaching spill impacted marine waters.
- 2) **USE SOUND SCIENCE TO ENSURE SUCCESS OF LONG-TERM RESTORATION EFFORTS IN THE AREA AFFECTED BY THE OIL SPILL.**
 - In cooperation with the Trustee Council and other federal, state, and local government agencies, evaluate and document the lessons learned from post-spill analyses of the effects and damages caused by the oil spill.
 - Identify environmental priorities for long-term monitoring of ecosystem health in spill-impacted waters.

Key Component Issues for FY2001 – 2002

By calendar year 2003, the Trustee Council will be shifting priorities from active restoration to long-term monitoring and research. As small communities impacted by the spill are proceeding with multi-year projects to address their most serious pollution problems, DEC in partnership with the Trustee Council will help develop key environmental indicators of ecosystem health in the spill-impacted area.

Major Component Accomplishments for FY2000

Identified initial monitoring priorities to gain a baseline of human-caused pollutants in the oil spill region, and to ensure over time that changes or degradation can be detected as part of an "early warning system" for ecosystem health.

In cooperation with the Kodiak Island Borough and Kodiak Area Native Association, worked with seven spill-impacted communities to start up their projects as part of the Borough's Master Waste Management Plan. The plan is a unified regional solution to the most pressing pollution management problems.

Statutory and Regulatory Authority

AS 46.03.010; AS 37.14.400-500

Exxon Restoration

Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	73.1	82.7	83.5
72000 Travel	3.9	10.0	10.0
73000 Contractual	29.4	537.8	537.8
74000 Supplies	0.5	1.5	1.5
75000 Equipment	2.6	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	109.5	632.0	632.8
Funding Sources:			
1018 Exxon Valdez Oil Spill Settlement	109.5	632.0	632.8
Funding Totals	109.5	632.0	632.8

Exxon Restoration**Proposed Changes in Levels of Service for FY2002**

No significant changes in services are anticipated.

Summary of Component Budget Changes**From FY2001 Authorized to FY2002 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	0.0	0.0	632.0	632.0
Adjustments which will continue current level of service:				
-Year 2 Labor Costs - Net Change from FY2001	0.0	0.0	0.8	0.8
FY2002 Governor	0.0	0.0	632.8	632.8

Exxon Restoration**Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	1	1	Annual Salaries	64,320
Part-time	0	0	COLA	1,531
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	19,139
			<i>Less 1.75% Vacancy Factor</i>	(1,490)
			Lump Sum Premium Pay	0
Totals	1	1	Total Personal Services	83,500

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Restoration Specialist	0	0	1	0	1
Totals	0	0	1	0	1

Component: Unallocated Reduction

Contact: Michele Brown, Commissioner

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Component Mission

No mission statement.

Component Services Provided

No services provided.

Component Goals and Strategies

No goals and strategies.

Key Component Issues for FY2001 – 2002

No key issues.

Major Component Accomplishments for FY2000

No major accomplishments.

Statutory and Regulatory Authority

No statutes and regulations.

Unallocated Reduction
Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Contractual	0.0	0.0	0.0
74000 Supplies	0.0	0.0	0.0
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	0.0	0.0	0.0
Funding Sources:			
None.			
Funding Totals	0.0	0.0	0.0

Unallocated Reduction**Proposed Changes in Levels of Service for FY2002**

No service changes.

Summary of Component Budget Changes**From FY2001 Authorized to FY2002 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	0.0	0.0	0.0	0.0
FY2002 Governor	0.0	0.0	0.0	0.0

Unallocated Reduction**Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	0	0	Annual Salaries	0
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	0
			<i>Less % Vacancy Factor</i>	()
			Lump Sum Premium Pay	0
Totals	0	0	Total Personal Services	

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
No personal services.					
Totals	0	0	0	0	0

Environmental Health Budget Request Unit

Contact: Janice Adair, Director

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BRU Mission

Protect consumers from food-and water-borne illness.

BRU Services Provided

Safe water, safe food and healthy communities through:

- permitting and approvals;
- inspections; and
- public education and outreach.

BRU Goals and Strategies

1) SAFE WATER

- Continue to work with owners and operators of public drinking water systems to ensure they provide drinking water that meets established health standards.
- In collaboration with the engineering community, implement appropriate design and maintenance standards for domestic wastewater systems so they can successfully treat sewage over time.
- Certify commercial and municipal laboratories so they can test the safety of the water produced by public drinking water systems.
- Work with public water system operators in analyzing and communicating results of the source water assessments.

2) SAFE FOOD

- Implement a credible inspection and monitoring program for seafood processors, shellfish growers, other Alaska-based food manufacturers as well as food service operators that support Alaska's food and hospitality industries and that is protective of public health.
- Continue outreach efforts with industry and consumers on food safety hazards including how they can be controlled or otherwise managed.

3) HEALTHY COMMUNITIES

- Protect public health and property values by improving the way solid waste is managed statewide with an increasing emphasis on field inspections and technical assistance.
- Develop and implement improved sanitation standards for tattoo parlors and permanent cosmetic shops.
- Continue to implement an effective pesticide program that is protective of children and the elderly, by reducing exposure at schools and residential care facilities.

Key BRU Issues for FY2001 – 2002

The Division of Environmental Health deals with the most basic public health and environmental management programs - food, water, sewage, and garbage. Everyone plays an important role in the success of these efforts, thus it is critical that we have an effective public outreach component for all programs, that the regulations be as understandable as possible, and that the requirements therein are fully understood by employees, the regulated industries, and the general public.

A critical component of our outreach is how we communicate relative risks to the public. The need for effective risk communication skills will become critical as the source water assessments are completed for all federally-regulated public water systems in the state. These are skills we will further develop and refine over the next year.

Major BRU Accomplishments for FY2000

- Developed a Uniform Shellfish Sampling Program for clams, mussels, and oysters that decreases the level of sampling yet provides for long term monitoring of harvest areas.
- Increased the use of computers in the field enhancing the quality and accuracy of food-related inspections, and providing inspector access to establishment information on the division's database.
- Obtained EPA approval of State's Capacity Development Program for new drinking water systems.
- Obtained EPA approval of State's Source Water Assessment and Wellhead Protection programs as a jointly managed Drinking Water Protection Program.
- Worked with the Governor's office to secure an Alaska-specific amendment to the FAA Reauthorization Bill for solid waste facilities.
- Initiated Phase 2 of the new Jellett Biotech PSP testing procedure.

Key Performance Measures for FY2002

Measure: The amount of state investment per facility or unit.

(Revised from Legislature's FY2002 version.)

Current Status:

As can be seen from the attached spreadsheets, most of the program areas are funded roughly 60% general fund and 40% program receipts. There are two program areas where this is not the case:

- Food (other than seafood) and public facility sanitation: In this program area, general funds account for just 13% of the total funding available per unit. This is down from nearly 70% in calendar year 1998. Program receipts represent 81% of the program unit funding, up significantly from calendar year 1998 when program receipts were just under 28%.
- Drinking Water: General funds account for 24% of this program area while federal funds account for 74%. In calendar year 1998, general funds represented nearly 30% of the funding. Because the federal drinking water grant is a 75%/25% match grant, what this means is that the state is essentially running a federal drinking water program.

Benchmark:

Until there is agreement on the appropriate relative percentage of general fund to program receipt support for state services, there is no way to determine a benchmark. However, a split of 60% general fund / 40% program receipts seems appropriate.

Background and Strategies:

During the 2000 Legislative session, legislation was passed (HB 361) that changed what services DEC could include in its fee calculations for some programs. The net effect of this legislation will be to reduce the fees paid certain industries for their permits, approvals and other services. The solid waste program was included in HB 361, and as shown in the attached spreadsheet, the overall percentage of fees was reduced from 44.4% to 38.6%. The ratio of general funds and program receipts is now approximately 60%/40%.

Throughout the legislative hearings on HB 361, the department consistently stated that the food service program should be included in order to reduce the overall level of fees paid by facility operators. We continue to support such a strategy.

Measure: The number of "boil water" notices issued, the population affected, and the duration for the year.

(Added by Legislature in FY2002 version.)

Current Status:

In the first three quarters of calendar year 2000, we've seen a reduction from 1999 in each of the three areas measured: the number of boil water notices issued, the population affected, and the length of the boil water notice.

Benchmark:

Decrease in the number of Boil Water Notices issued, population affected, and duration.

Background and Strategies:

Boil water notices are issued when public water supplies exceed the public health standards for fecal coliform. Fecal coliform indicates a water system is being contaminated by sewage. Testing for fecal coliform is the most routine testing done by public water systems and the least expensive. 85% of the compliance sampling done by public water systems is for fecal coliform. The longer it takes the public water system to bring the water into public health compliance, the longer the requirement to boil the water will last.

In order to continue to see a decrease in the number of Boil Water Notices, their duration, and the population affected the department will

- continue to work with engineers and others to ensure domestic wastewater systems are properly designed and installed;
- work with property owners and utility managers to ensure domestic wastewater systems are properly maintained;
- work with public water systems and the Division of Facilities, Construction and Operation to ensure water system operators are properly trained for the collection of water samples; and
- work with public water system operators to ensure the disinfection methods for the water system are appropriate and properly functioning.

Measure: The percentage of sanitary surveys that result in significant compliance violations.

(Added by Legislature in FY2002 version.)

Current Status:

Tracking significant deficiencies in sanitary surveys began 4/1/00. Therefore, we have no historical data as of yet. Between 4/1/00 and 9/30/00, 16% of the completed sanitary surveys (11 out of 71) found significant deficiencies.

Benchmark:

Yearly percent decrease (with a target of 10% for 6/30/01 and 5% for 6/30/02) in sanitary surveys that identify significant compliance violations.

Background and Strategies:

A sanitary survey is required of all public water systems that are federally regulated under the Total Coliform Rule. It is a general "inspection" of the system where the surveyor reviews how the system is operated, how well the operator is keeping required records, and the overall integrity of the infrastructure of the system. A sanitary survey can result in a number of "paperwork" violations that may not present a threat to public health, such as monitoring and reporting; however, this performance measure seeks to decrease the number of violations that may be a threat to public health.

In order to achieve a decrease in the number of sanitary surveys that result in significant compliance violations, we will

- work with system operators and the Division of Facilities, Construction and Operation to ensure each public water system is managed by a certified operator;
- continue to provide assistance to water system operators, directly and through the Remote Maintenance Worker program and the National Rural Water Association on how the water treatment process works and the system's maintenance needs; and
- provide information annually to the Division of Facilities, Construction and Operation on the infrastructure needs of individual systems.

Measure: The percentage of landfills with a permit or an alternative to a permit.

(Added by Legislature in FY2002 version.)

Current Status:

All landfills are required to have a permit or some form of acceptable alternative in order to operate. At the end of the third quarter in 2000, 88 active landfill sites out of 264 (33%) had a current permit or an acceptable alternative. This is an increase from calendar year 1997 when just 22% of landfills were permitted.

Benchmark:

Percent increase of landfills with permit or an alternative to a permit.

Background and Strategies:

Alaskans generate about 1,300 tons of household garbage each day, nearly twice the national average per person. 78% is disposed of in landfills; 15% is incinerated; and 7% is recycled. DEC regulates 385 landfills: 142 are non-municipal (industrial) facilities that handle materials like drilling wastes, mine tailings, and construction wastes; 243 are municipal landfills, of which 10 serve large communities; 21 service medium-sized towns; 38 serve industrial or government camps; and 174 serve small villages. AS 46.03.100 requires that anyone who conducts an operation that results in the disposal of solid waste into the waters or onto the land of the state have a permit.

In order to increase the percentage of landfills with a permit and an alternative to a permit, we will

- develop general permits for landfills that serve small camps and villages (Class 3 landfills);
- significantly streamline permitting process in-house through developing standard permit formats and language and reducing the detail in the permit document, relying instead on the language of the regulation and the permit application; and
- develop permits-by-rule.

Measure: The percentage of landfills with an inspection score of 80 or higher.

(Added by Legislature in FY2002 version.)

Current Status:

Permitted landfills as well as unpermitted dumps are inspected, but scores are only tracked for permitted sites. At the end of the third quarter of 2000, we had inspected 15% of the permitted landfills and 52% had a score of 80 or higher. This compares with calendar year 1997, when we had inspected approximately 10% of the permitted landfills and just 27% had a score of 80 or above.

Benchmark:

Increase in the percent of landfills inspected, and percent increase of landfills with an inspection score of 80 or higher.

Background and Strategies:

Landfill facilities are inspected to determine if they are handling their wastes in a manner that is protective of public health as outlined in their permits and the department's solid waste regulations. The higher the inspection score, the better the waste disposal practices by the landfill operator.

Over the past four years, the percentage of Class 3 community landfills that have been inspected has ranged from a low of 43% to a high of 79%. In order to achieve the goal of improving how waste is handled and disposed, we need to increase our presence in the field, particularly for Class 3 community landfills.

In order to accomplish this goal, we will

- increase the number of inspections by using staff time that is freed up as a result of streamlining the permitting processing with a target of inspecting 25% to 35% of all permitted landfills annually;
- provide solid waste training to operators with an emphasis on rural landfill operations;
- increase our focus on solid waste handling options with communities; and
- increase the percentage of Class 3 community landfills that are inspected, and decrease the percentage of Class 1 and Class 2 community landfill inspections except for those facilities with compliance problems.

Measure: The number of critical violations affecting food safety.

(Added by Legislature in FY2002 version.)

Current Status:

We are seeing an increase in the percentage of critical violations in the food inspections we conduct, even though the number of inspections are decreasing because of significant budget reductions to this program. Inspections are used as a means to provide technical assistance to operators on how to prevent problems from occurring. The less we are able to be in the field, the fewer our opportunities to provide this kind of assistance.

These figures do not include seafood processor inspections. The seafood program's database is being redesigned to collect this for future reporting.

Benchmark:

Percent decrease in critical violations that affect food safety and wholesomeness.

Background and Strategies:

Critical violations occur when an operator is not in compliance with state food rules in a manner that can result in a foodborne illness. They include such things as serving shellfish from unapproved areas, not separating raw foods from cooked foods, and employees that do not wash their hands after using the restroom. Because foodborne illness is notoriously underreported, often passed off as the "stomach flu" (which doesn't exist), we use critical violations as a means to measure the likelihood of a foodborne illness occurring.

In order to reduce the occurrence of critical violations, we should

- inspect operations according to the public health risks they pose based on the type of food, preparation, or processing;
- focus on critical items during routine inspections;
- continue to provide training to operators in order to have an educated workforce in food industry regarding food safety issues; and
- continue other outreach efforts with the food industry such as direct mailings and posting contemporary food safety issues on our website.

Measure: The percentage of facilities inspected according to risk-based inspection frequency protocol.

(Added by Legislature in FY2002 version.)

Current Status:

Because of significant budget cuts to this program, no operations are inspected as often as called for in the risk-based inspection frequency protocol.

By the end of the third quarter of 2000, 36% of all food operations had been inspected at least once; 67% of the inspections were performed at higher risk level operations. 45% of all higher risk food operations have been inspected at least once.

During this same time, 7% of all public facilities were inspected at least once, and 91% of the inspections were performed at higher risk facilities. 24% of all higher risk public facilities have been inspected at least once. Only 27% of all public facilities are ranked as higher risk facilities.

Benchmark:

Underfunding of this program will prevent us from meeting this performance measure. Therefore, our benchmark is to increase the percentage of high-risk operations inspected at least once per year.

Background and Strategies:

The primary goal of a sanitation inspection program, whether for food operations or public facilities such as pools, spas, and day-care centers is to protect the public from diseases that can be spread in those operations because of poor sanitation. This goal is best achieved with regular inspections, the frequency of which is based upon the public health risks posed by the particular operation. Inspections allow the department to interact with facility operators to identify and correct conditions that could lead to a public health outbreak.

In order to ensure the best use of the department's resources, a risk-based inspection frequency protocol was developed and implemented two years ago. The protocol takes into account as appropriate the type of food, the population served, the type of process or handling, and the likelihood that physical, microbial, or chemical hazards will be present.

In order to increase the percentage of higher risk operations that are inspected at least once per year, we will

- continue to cross-train our inspection staff so all are able to proficiently inspect all types of food operations, including seafood processors;

- continue to reduce the number of inspections performed at lower risk facilities unless done under contract with the U.S. Food and Drug Administration; and
- continue to find ways to reduce the amount of time inspection staff must spend in the office, such as we have done through the expanded use of laptop computers.

Status of FY2001 Performance Measures

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
• The amount of state investment per facility or unit.			X		
• The number of "boil water" notices issued, the population affected, and the duration for the year.			X		
• The percentage of sanitary surveys that result in significant compliance violations.			X		
• The percentage of landfills with a permit or an alternative to a permit.			X		
• The percentage of landfills with an inspection score of 80 or higher.			X		
• The number of critical violations affecting food safety.			X		
• The percentage of facilities inspected according to risk-based inspection frequency protocol.			X		

Environmental Health
BRU Financial Summary by Component

All dollars in thousands

	FY2000 Actuals				FY2001 Authorized				FY2002 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Formula Expenditures None.												
Non-Formula Expenditures												
Environmental Health Director	182.1	0.0	0.0	182.1	171.9	0.0	0.4	172.3	265.8	0.0	0.0	265.8
Food Safety & Sanitation	2,418.2	89.7	175.0	2,682.9	2,524.3	504.2	349.3	3,377.8	2,753.2	505.0	177.6	3,435.8
Laboratory Services	1,242.7	439.0	164.9	1,846.6	1,335.1	568.1	197.6	2,100.8	1,382.5	584.1	195.5	2,162.1
Drinking Water	1,299.9	1,671.0	10.0	2,980.9	1,536.1	2,351.9	1.0	3,889.0	1,538.6	2,389.5	0.0	3,928.1
Solid Waste Management	859.4	26.1	0.2	885.7	1,115.6	27.0	1.3	1,143.9	1,193.4	27.0	0.0	1,220.4
Totals	6,002.3	2,225.8	350.1	8,578.2	6,683.0	3,451.2	549.6	10,683.8	7,133.5	3,505.6	373.1	11,012.2

Environmental Health**Proposed Changes in Levels of Service for FY2002**

The Department is proposing to switch \$166,300 in statutory designated program receipts to general funds, along with a general fund increment of \$53,700 to increase inspections of high-risk food operations performed once a year by 36%, without increasing fees.

Environmental Health**Summary of BRU Budget Changes by Component****From FY2001 Authorized to FY2002 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	6,683.0	3,451.2	549.6	10,683.8
Adjustments which will continue current level of service:				
-Environmental Health Director	93.9	0.0	-0.4	93.5
-Food Safety & Sanitation	177.2	0.8	-170.4	7.6
-Laboratory Services	47.4	16.0	-2.1	61.3
-Drinking Water	2.5	37.6	-1.0	39.1
-Solid Waste Management	2.6	0.0	-1.3	1.3
Proposed budget decreases:				
-Food Safety & Sanitation	-2.0	0.0	-1.3	-3.3
Proposed budget increases:				
-Food Safety & Sanitation	53.7	0.0	0.0	53.7
-Solid Waste Management	75.2	0.0	0.0	75.2
FY2002 Governor	7,133.5	3,505.6	373.1	11,012.2

Component: Environmental Health Director

Contact: Janice Adair, Director

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Component Mission

Provide effective management and leadership for all Environmental Health programs and services.

Component Services Provided

- Oversee all regulation projects, ensuring regulations are logically presented and understandable.
- Work with Program Managers and staff to make and implement timely and well-reasoned decisions.
- Provide effective oversight of use and allocation of division's resources.

Component Goals and Strategies

- 1) INCREASE CUSTOMER SATISFACTION IN SERVICES PROVIDED.
 - Continue working with various advisory groups: Drinking Water Capacity Advisory Board, Municipal Solid Waste Committee, Food Advisory Committee, Alaska Food Coalition, Technical Review Board, and Alaska Seafood Processors Advisory Council.
 - Continue making divisional databases compatible so information about facilities or operations can be easily shared between programs and with the public.
 - Develop and implement electronic application filing.
 - Listen to, and actively and quickly follow up on, any complaints received.
 - Ensure majority of staff receive customer service training.
- 2) CONTINUE TO INCREASE EFFICIENCIES AND REDUCE COSTS.
 - Continue to cross train staff to reduce travel costs.
 - Prioritize workload based on public health and environmental risks of the operation.
 - Continue to refine how we inform the public on their role in public health protection and environmental management including strategies to increase use of the division's web pages.
 - Work with EPA on its Class V Injection Control Well Program to reduce public confusion and cost.
 - Begin using the Environmental Health general permits for small remote transient field camps and small remote permanent facilities.

Key Component Issues for FY2001 – 2002

Our challenge continues to be meeting public expectations with reduced service levels.

Major Component Accomplishments for FY2000

Worked with the Human Resources Office and the Division of Personnel to revise the Environmental Health Officer series classifications to broaden applicant pool and provide an occupational career path for our work force.

Taking full advantage of Work Place Alaska, implemented the precursor to the department's Vision Based Recruitment process by requiring for each position to be filled, a rigorous job analysis, identification of the full range of competencies needed to be successful in the job, and the development of an interview process and interview questions to fully assess each applicant, including the use of hiring teams.

Statutory and Regulatory Authority

AS 03.05, AS 03.45, AS 03.58, AS 17.05, AS 17.07, AS 17.20, AS 18.35, AS 44.46.020-025, AS 46.03.101, AS 46.03.120, AS 46.03.320-330, AS 46.03.710-730, AS 46.03.900, AS 46.05, 18 AAC 30, 18 AAC 31, 18 AAC 32, 18 AAC 34, 18 AAC 55, 18 AAC 60, 18 AAC 72, 18 AAC 80, 18 AAC 90

Environmental Health Director

Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	140.0	154.7	248.2
72000 Travel	12.4	6.3	6.3
73000 Contractual	20.1	8.2	8.2
74000 Supplies	5.6	1.9	1.9
75000 Equipment	4.0	1.2	1.2
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	182.1	172.3	265.8
Funding Sources:			
1004 General Fund Receipts	182.1	170.8	265.8
1053 Investment Loss Trust Fund	0.0	1.1	0.0
1108 Statutory Designated Program Receipts	0.0	0.4	0.0
Funding Totals	182.1	172.3	265.8

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Statutory Designated Program Receipts	51063	0.0	0.4	0.4	0.0	0.0
Restricted Total		0.0	0.4	0.4	0.0	0.0
Total Estimated Revenues		0.0	0.4	0.4	0.0	0.0

Environmental Health Director**Proposed Changes in Levels of Service for FY2002**

No significant changes in services are anticipated.

Summary of Component Budget Changes**From FY2001 Authorized to FY2002 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	171.9	0.0	0.4	172.3
Adjustments which will continue current level of service:				
-Administrative support transfer from Administrative Services	90.8	0.0	0.0	90.8
-Convert Special FY2001 Labor Cost Fund Sources to GF	0.4	0.0	-0.4	0.0
-Year 2 Labor Costs - Net Change from FY2001	2.7	0.0	0.0	2.7
FY2002 Governor	265.8	0.0	0.0	265.8

Environmental Health Director**Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	2	4	Annual Salaries	186,918
Part-time	0	0	COLA	3,461
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	57,841
			<i>Less 0.01% Vacancy Factor</i>	(20)
			Lump Sum Premium Pay	0
Totals	2	4	Total Personal Services	248,200

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Tech III	1	0	0	0	1
Administrative Svcs Mgr	1	0	0	0	1
Division Director	1	0	0	0	1
Secretary	1	0	0	0	1
Totals	4	0	0	0	4

Component: Food Safety & Sanitation

Contact: Janice Adair, Director

Tel: (907) 269-7644 **Fax:** (907) 269-7654 **E-mail:** Janice_Adair@envircon.state.ak.us

Component Mission

Promote safe food processing, service and sales, and safe and sanitary public facilities.

Component Services Provided

- License and inspect commercial food processors, service and sales operations.
- Establish public health sanitation standards for food and public facilities such as day care centers, adult residential facilities, pools and spas, schools, and overnight accommodations.
- Provide education and outreach to the general public to help them understand their role in safe food preparation, and safe and sanitary facilities.

Component Goals and Strategies

- 1) **REDUCE THE INCIDENCE OF CONFIRMED FOODBORNE ILLNESS OUTBREAKS ASSOCIATED WITH COMMERCIAL FOOD SUPPLY.**
 - Increase the percentage of higher risk food operations that are inspected on an annual basis.
 - Conduct annual Hazard Analysis Critical Control Point (HACCP) based inspections of higher risk food service operations.
 - Decrease the percentage of critical violations at higher risk food operations.
 - Immediately respond to critical violations with appropriate action.
 - Continue surveillance for adulterated products during inspections to prevent their distribution.
 - Continue to provide education and outreach to industry and consumers on food safety hazards.
- 2) **SUPPORT THE MARKETABILITY OF ALASKA'S MANUFACTURED FOOD, ESPECIALLY SEAFOOD, THROUGH THE IMPLEMENTATION OF A CREDIBLE INSPECTION AND MONITORING PROGRAM FOR PROCESSORS, SHELLFISH GROWERS AND THROUGH THE USE OF HAZARD ANALYSIS CRITICAL CONTROL POINT (HACCP) PLANS.** A consistent inspection program that focuses on the control of food safety hazards is essential to both food safety and a healthy industry. HACCP consists of identifying food safety hazards that are reasonably likely to occur in a food process, creating the controls to prevent the hazard, then monitoring those controls. Monitoring of ready-to-eat products for foodborne pathogens provides feedback regarding the adequacy of the controls, and also ensures that unsafe products are removed from the marketplace.
 - Continue to provide technical assistance and training to operators to help them fully understand HACCP and basic food science.
 - Develop standardized inspection procedures and continue to work closely with FDA to resolve seafood issues raised by industry and inspection staff.
 - Continue the sampling program for ready-to-eat seafood products for selected pathogenic organisms.
 - Work with the Southeast Alaska Dive Fisheries Association to develop a PSP testing program to increase the live sales of geoducks, while maintaining a safe product for the consumer.
 - Continue to work with the U.S. Department of Commerce to provide export product inspections required for products to enter some countries on an after hours or voluntary overtime basis.
- 3) **CONTINUE OUTREACH EFFORTS TO INDUSTRY AND CONSUMERS ON FOOD SAFETY HAZARDS AND HOW THEY CAN BE CONTROLLED OR OTHERWISE MANAGED.**
 - Continue to provide accurate, timely and current food safety information to operators and consumers.
 - Provide food safety training to food workers on a scheduled basis where other training is not offered.
 - Continue to keep Food Safety Internet site updated with consumer information including restaurant inspection scores.

- Continue working with Food Advisory Committee on contemporary food issues.
- Continue working with the National Food Processors Association and the Alaska Seafood Processors Advisory Council on seafood issues.

Key Component Issues for FY2001 – 2002

As a result of the reductions in FY 2000, many thousands of food operations, including fresh/frozen seafood processors are not currently being inspected except on a "complaint-only" basis. In addition, not all higher-risk operations are being routinely inspected. As the number of food operations continue to grow, the number of operations that are not inspected at an appropriate interval will also increase. Inspections are the cornerstone of any food safety program, allowing inspectors to work with operators in meeting our joint obligations to ensure the safety of the commercial food supply. Therefore, a reduction in routine inspections will lead to an increase in the number of reported foodborne illnesses. In the summer of 2000, there were three such incidents. In all of calendar year 1999, there was one foodborne illness outbreak.

Major Component Accomplishments for FY2000

Enhanced cross utilization of staff to optimize coverage of higher risk food establishments and public facilities.

Prioritized facility inspections based on the risks posed to public health.

Continued to increase the number of memorandums of understanding with industry regarding the water quality monitoring of shellfish growing areas to maximize efficiency and reduce sampling costs.

Developed a Uniform Shellfish Sampling Program for clams, mussels, and oysters that decreases the level of sampling yet provides for long term monitoring of harvest areas.

Increased the use of computers in the field enhancing the quality and accuracy of inspections, and providing inspector access to establishment information on the division's database.

Statutory and Regulatory Authority

AS 03.05, AS 17.05, AS 17.07, AS 17.20, AS 18.35, AS 44.46.020-025, 18 AAC 30, 18 AC 31, 18 AAC 32, 18 AAC 34, 18 AAC 36

Food Safety & Sanitation

Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	2,046.7	2,648.0	2,692.8
72000 Travel	172.1	307.4	309.4
73000 Contractual	352.6	328.4	334.3
74000 Supplies	34.1	75.9	76.7
75000 Equipment	77.4	18.1	22.6
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	2,682.9	3,377.8	3,435.8
Funding Sources:			
1002 Federal Receipts	89.7	504.2	505.0
1003 General Fund Match	244.1	136.1	0.0
1004 General Fund Receipts	664.3	816.2	1,582.8
1005 General Fund/Program Receipts	1,509.8	1,531.1	1,170.4
1007 Inter-Agency Receipts	0.0	3.9	2.6
1036 Commercial Fishing Loan Fund	175.0	175.0	175.0
1053 Investment Loss Trust Fund	0.0	40.9	0.0
1108 Statutory Designated Program Receipts	0.0	170.4	0.0
Funding Totals	2,682.9	3,377.8	3,435.8

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
<u>Unrestricted Revenues</u>						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
<u>Restricted Revenues</u>						
Federal Receipts	51010	89.7	504.2	186.6	505.0	505.0
Interagency Receipts	51015	0.0	3.9	3.9	2.6	2.6
General Fund Program Receipts	51060	1,509.8	1,531.1	1,531.1	1,170.4	1,170.4
Statutory Designated Program Receipts	51063	0.0	170.4	1.1	0.0	0.0
Restricted Total		1,599.5	2,209.6	1,722.7	1,678.0	1,678.0
Total Estimated Revenues		1,599.5	2,209.6	1,722.7	1,678.0	1,678.0

Food Safety & Sanitation**Proposed Changes in Levels of Service for FY2002**

A funding source switch from statutory designated program receipts to general funds, including an increment is requested to allow the component to increase inspections of high-risk food operations without increasing fees.

Summary of Component Budget Changes**From FY2001 Authorized to FY2002 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	2,524.3	504.2	349.3	3,377.8
Adjustments which will continue current level of service:				
-Funding source change to increase inspections of high risk facilities	167.6	0.0	-167.6	0.0
-Convert Special FY2001 Labor Cost Fund Sources to GF	1.1	0.0	-1.1	0.0
-Year 2 Labor Costs - Net Change from FY2001	8.5	0.8	-1.7	7.6
Proposed budget decreases:				
-Decrement for SB 34 second year fund reduction	-2.0	0.0	-1.3	-3.3
Proposed budget increases:				
-Increment to increase inspections of high risk facilities	53.7	0.0	0.0	53.7
FY2002 Governor	2,753.2	505.0	177.6	3,435.8

Food Safety & Sanitation**Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	39	39	Annual Salaries	2,129,716
Part-time	2	2	COLA	29,489
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	692,718
			<i>Less 5.58% Vacancy Factor</i>	(159,123)
			Lump Sum Premium Pay	0
Totals	41	41	Total Personal Services	2,692,800

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	1	0	0	0	1
Administrative Clerk II	1	0	0	1	2
Administrative Clerk III	1	1	0	0	2
Environ Conserv Mgr II	1	0	0	0	1
Environ Conserv Mgr III	1	0	0	0	1
Environ Health Off I	0	2	1	1	4
Environ Health Off II	2	1	0	3	6
Environ Health Off III	5	3	1	9	18
Environ Health Off IV	2	0	0	0	2
Environmental Tech II	0	1	0	0	1
Regulations Spec II	1	0	0	0	1
Research Analyst II	0	1	0	0	1
State Veterinarian	0	0	0	1	1
Totals	15	9	2	15	41

Component: Laboratory Services

Contact: Janice Adair, Director

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Component Mission

Promote sound laboratory practices and safe pesticide use.

Component Services Provided

- Certify commercial chemical laboratories for drinking water analyses and soil remediation.
- Certify commercial and municipal microbial laboratories for drinking water analyses.
- Carry out unusual or emergency analyses of environmental samples.
- Analyze commercial food supply for chemical, microbial, and marine toxin contaminants.
- Test and approve marine waters for commercial shellfish growing as required under the National Shellfish Sanitation Program.
- Train and certify commercial pesticide applicators and applicators of restricted use pesticides.
- Monitor the use and storage of pesticides.
- Register all pesticides distributed in Alaska
- Issue and monitor pesticide permits.

Component Goals and Strategies

- 1) WORK WITH COMMERCIAL AND MUNICIPAL LABORATORIES TO ENSURE THEY ARE CERTIFIED TO TEST PUBLIC DRINKING WATER SYSTEMS FOR COMPLIANCE WITH ESTABLISHED HEALTH STANDARDS.
 - Provide routine training and other technical assistance to commercial and municipal laboratory personnel.
 - Maintain EPA drinking water certification of the State Chemistry Laboratory for all primary and secondary regulated chemicals and the Food Safety Laboratory for microbiology.
 - Assist commercial laboratories that fail performance evaluations to come into compliance with laboratory certification criteria.
- 2) CONTINUE SUPPORTING THE MARKETABILITY OF FOODS PROCESSED IN ALASKA AND THE SAFETY OF FOODS SOLD IN ALASKA.
 - Continue evaluation of the Jellett Biotech (Phase 2) rapid screening test for PSP.
 - Maintain the domoic acid monitoring program for shellfish and crustaceans in Cook Inlet and other identified risk areas.
 - Continue testing ready-to-eat foods to ensure they are within the established health parameters for selected pathogenic organisms.
 - Continue the testing of seafood products for heavy metals of public health importance.
 - Work with the Department of Health and Social Services on epidemiological investigations where commercial foods or public water supplies may be the source.
 - Train and approve commercial dairy plants to run antibiotic residue tests as required by the federal Pasteurized Milk Ordinance.
- 3) CONTINUE TO IMPLEMENT AN EFFECTIVE PESTICIDE PROGRAM IN COMPLIANCE WITH FEDERAL REQUIREMENTS.
 - Train and certify all restricted use pesticide applicators and coordinate training activities with the Cooperative Extension Service on a monthly basis.
 - Provide technical assistance on Worker Protection Standard (WPS) requirements for greenhouse and farm workers.
 - Conduct EPA, WPS worker and handler training for those who work in pesticide treated fields or greenhouses, and for those who use pesticides on farms or in greenhouses.

- Continue to improve public awareness of certification criteria for pesticide applicators through newsletters and the pesticide web page.
 - Continue to work with schools on Integrated Pest Management.
- 4) CONTINUE TO SUPPORT OTHER STATE AND FEDERAL AGENCIES.
- Establish a proficiency testing program for the new test methods for determining compound toxicity in spilled hydrocarbons (AK101AA, AK102AA and AK103AA).
 - Continue to support investigations into potential sources of unknown releases by the Division of Spill Prevention and Response through hydrocarbon fingerprinting and testing of marine waters and fish tissues.
 - Work with the University of Alaska Southeast to develop joint research programs for the development of needed analytical methods for the arctic environment.
 - Perform premises evaluations and testing of fresh Alaskan-grown produce to support the Department of Natural Resources, Division of Agriculture in its Pathogen Reduction Program.
 - Cooperate with the U.S. Department of Agriculture to allow the exportation of Alaskan animals by testing for Brucellosis and Equine Infectious Anemia.

Key Component Issues for FY2001 – 2002

Continue the process to replace the existing Food Safety Laboratory with a new facility in Anchorage that meets the safety standards for a modern laboratory. This includes property acquisition, programming and site planning, and initiation of the legislative process for a funding package.

Major Component Accomplishments for FY2000

Initiated Phase 2 of the new Jellett Biotech PSP testing procedure.

Responded to all pesticide complaints within twenty-four (24) hours.

Completed the MOU with the Department of Health and Social Services to streamline the investigation of foodborne illness outbreaks.

Completed the MOU with University of Alaska, SE to develop new methods for arctic sample analysis.

Statutory and Regulatory Authority

AS 03.05, AS 03.45, AS 03.58, AS 17.05, AS 17.07, AS 17.20, AS 44.46, AS 46.03, 18 AAC 32, 18 AAC 34, 18 AAC 80, 18 AAC 90

Laboratory Services

Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,450.6	1,574.0	1,635.3
72000 Travel	29.7	47.8	47.8
73000 Contractual	214.3	282.0	282.0
74000 Supplies	124.9	136.1	136.1
75000 Equipment	27.1	60.9	60.9
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,846.6	2,100.8	2,162.1
Funding Sources:			
1002 Federal Receipts	439.0	568.1	584.1
1003 General Fund Match	211.6	216.2	217.7
1004 General Fund Receipts	916.3	962.4	1,018.5
1005 General Fund/Program Receipts	114.8	144.1	146.3
1007 Inter-Agency Receipts	13.4	20.0	20.0
1052 Oil/Hazardous Response Fund	151.5	175.5	175.5
1053 Investment Loss Trust Fund	0.0	12.4	0.0
1108 Statutory Designated Program Receipts	0.0	2.1	0.0
Funding Totals	1,846.6	2,100.8	2,162.1

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Federal Receipts	51010	439.0	568.1	470.8	584.1	584.1
Interagency Receipts	51015	13.4	20.0	20.0	20.0	20.0
General Fund Program Receipts	51060	114.8	144.1	144.1	146.3	146.3
Statutory Designated Program Receipts	51063	0.0	2.1	2.1	0.0	0.0
Restricted Total		567.2	734.3	637.0	750.4	750.4
Total Estimated Revenues		567.2	734.3	637.0	750.4	750.4

Laboratory Services**Proposed Changes in Levels of Service for FY2002**

No significant changes in services are anticipated.

Summary of Component Budget Changes**From FY2001 Authorized to FY2002 Governor**

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	1,335.1	568.1	197.6	2,100.8
Adjustments which will continue current level of service:				
-Administrative support transfer from Administrative Services	42.0	14.7	0.0	56.7
-Convert Special FY2001 Labor Cost Fund Sources to GF	2.1	0.0	-2.1	0.0
-Year 2 Labor Costs - Net Change from FY2001	3.3	1.3	0.0	4.6
FY2002 Governor	1,382.5	584.1	195.5	2,162.1

Laboratory Services**Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	27	28	Annual Salaries	1,258,792
Part-time	1	1	COLA	16,594
Nonpermanent	0	0	Premium Pay	9,109
			Annual Benefits	436,861
			<i>Less 5.00% Vacancy Factor</i>	(86,056)
			Lump Sum Premium Pay	0
Totals	28	29	Total Personal Services	1,635,300

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	0	0	0	1	1
Administrative Clerk II	0	0	0	1	1
Administrative Clerk III	0	0	1	1	2
Chemist II	0	0	3	0	3
Chemist III	0	0	3	1	4
Chemist V	0	0	1	0	1
Environmental Microbio II	0	0	0	2	2
Environ Conserv Mgr III	0	0	0	1	1
Environmental Lab Tech	0	0	2	3	5
Environmental Microbio I	0	0	0	2	2
Environmental Microbio III	0	0	0	2	2
Environmental Spec II	0	0	0	1	1
Environmental Spec III	0	0	0	2	2
Environmental Tech I	0	0	0	1	1
Environmental Tech II	0	0	0	1	1
Totals	0	0	10	19	29

Component: Drinking Water

Contact: Janice Adair, Director

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Component Mission

Work with Alaskans to provide safe drinking water and effective affordable domestic wastewater treatment and disposal.

Component Services Provided

- Establish contaminant levels and monitoring requirements for public water systems.
- Review construction and installation plans for both public water and domestic wastewater systems.
- Assist public water system owners and operators in identifying the sources of their drinking water and in developing strategies to protect those sources from contamination.
- Provide technical assistance, compliance assistance, and education to the general public and to owners and operators of public water systems and domestic wastewater systems.

Component Goals and Strategies

- 1) **WORK WITH OWNERS AND OPERATORS OF PUBLIC DRINKING WATER SYSTEMS TO ENSURE THEY PROVIDE DRINKING WATER THAT MEETS ESTABLISHED HEALTH STANDARDS.**
 - Work with operators and owners to ensure that their systems have the financial, managerial, and technical capacity to operate in a consistent manner.
 - Provide technical and compliance assistance to owners and operators on the requirements of the Safe Drinking Water Act through hands-on assistance, workshops, brochures, newsletter, and the Internet.
 - Complete 700 public water system source water assessments to assist public water system owners in protecting the source of their drinking water.
 - Provide data from the statewide drinking water database and technical assistance to owners and operators of systems for their Consumer Confidence Reports.
 - In conjunction with the Division of Facilities Construction and Operations, initiate a statewide Certified Operators Program for all public water systems.
 - Keep the Drinking Water Internet site updated on commercial laboratories that test public water supplies as well as DEC-approved third party sanitation survey inspectors.
- 2) **IN COLLABORATION WITH THE ENGINEERING COMMUNITY, ESTABLISH AND IMPLEMENT APPROPRIATE DESIGN STANDARDS FOR DOMESTIC WASTEWATER SYSTEMS THAT CAN SUCCESSFULLY TREAT SEWAGE OVER TIME WITH PROPER MAINTENANCE.**
 - Continue working with the University of Alaska on its implementation of the Certified Installer Program for on-site systems.
 - Develop a statewide operation and maintenance guidance document for small on-site domestic wastewater systems and treatment technologies.
 - Continue working with consulting engineers to identify ways to improve our review of system engineered plans through annual workshops.
 - Keep the Domestic Wastewater Internet site updated to include statewide database for domestic wastewater systems, permits, and certified installers and also to strategize on a more efficient way to allow public access to our domestic wastewater files possibly through the Internet.
 - Work with EPA to obtain approval of the federally-mandated Class V Underground Injection Control Wells for domestic wastewater systems.

Key Component Issues for FY2001 – 2002

Meeting the requirements of the Safe Drinking Water Act of 1996 will continue to be a challenge for the Drinking Water and Wastewater Program in FY 2001. The program continues to struggle to meet an overwhelming number of federal deadlines for new program initiatives and rule adoption.

In addition, we are continuing our work to fine tune the design requirements for domestic wastewater systems so they will be reflective of the vast geographical differences in Alaska, and meet the requirements of EPA's Class V Underground Injection Control Wells program.

Major Component Accomplishments for FY2000

Completed the federally required revisions to the drinking water regulations thus avoiding a 20% withholding penalty of the State Revolving Loan Fund (approximately \$3.4 million for system construction).

Obtained EPA approval of State's Capacity Development Program for new systems.

Obtained EPA approval of State's Source Water Assessment and Wellhead Protection programs as a jointly managed Drinking Water Protection Program.

Completed the distribution of four (4) issues of the Drinking Water and Wastewater Program's newsletter - Northern Flows.

Completed 397 sanitary surveys of public water systems (106 completed by Drinking Water and Wastewater Program staff and 291 completed by third party inspectors).

Negotiated and signed a Memorandum of Understanding with the University of Alaska Anchorage Mining and Petroleum Training Service to provide required training for Certified Installers.

Worked with the Regulatory Commission of Alaska to develop and sign a Memorandum of Understanding to ensure our capacity development determinations are coordinated.

Statutory and Regulatory Authority

AS 44.46.020, AS 44.46.025, AS 46.03.020, AS 46.03.024, AS 46.03.050, AS 46.03.070, AS 46.03.080, AS 46.03.090, AS 46.03.100, AS 46.03.710, AS 46.03.720, AS 46.03.761, AS 46.03.900, 18 AAC 72, 18 AAC 80.

Drinking Water

Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	2,298.6	2,851.3	2,890.4
72000 Travel	80.6	169.8	169.8
73000 Contractual	420.1	752.2	752.2
74000 Supplies	90.4	59.9	59.9
75000 Equipment	91.2	55.8	55.8
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	2,980.9	3,889.0	3,928.1
Funding Sources:			
1002 Federal Receipts	1,671.0	2,351.9	2,389.5
1003 General Fund Match	480.1	501.1	505.9
1004 General Fund Receipts	496.1	508.0	521.8
1005 General Fund/Program Receipts	323.7	503.8	510.9
1007 Inter-Agency Receipts	10.0	0.0	0.0
1053 Investment Loss Trust Fund	0.0	23.2	0.0
1108 Statutory Designated Program Receipts	0.0	1.0	0.0
Funding Totals	2,980.9	3,889.0	3,928.1

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
<u>Unrestricted Revenues</u>						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
<u>Restricted Revenues</u>						
Federal Receipts	51010	1,671.0	2,351.9	2,540.0	2,389.5	2,389.5
Interagency Receipts	51015	10.0	0.0	0.0	0.0	0.0
General Fund Program Receipts	51060	323.7	503.8	403.8	510.9	510.9
Statutory Designated Program Receipts	51063	0.0	1.0	1.0	0.0	0.0
Restricted Total		2,004.7	2,856.7	2,944.8	2,900.4	2,900.4
Total Estimated Revenues		2,004.7	2,856.7	2,944.8	2,900.4	2,900.4

Drinking Water**Proposed Changes in Levels of Service for FY2002**

No significant changes in services are anticipated.

Summary of Component Budget Changes**From FY2001 Authorized to FY2002 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	1,536.1	2,351.9	1.0	3,889.0
Adjustments which will continue current level of service:				
-Transfer administrative support funding from the division of Administrative Services	0.0	31.9	0.0	31.9
-Convert Special FY2001 Labor Cost Fund Sources to GF	1.0	0.0	-1.0	0.0
-Year 2 Labor Costs - Net Change from FY2001	1.5	5.7	0.0	7.2
FY2002 Governor	1,538.6	2,389.5	0.0	3,928.1

Drinking Water

Personal Services Information

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	48	48	Annual Salaries	2,269,185
Part-time	0	0	COLA	31,431
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	774,213
			<i>Less 6.00% Vacancy Factor</i>	(184,429)
			Lump Sum Premium Pay	0
Totals	48	48	Total Personal Services	2,890,400

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk II	1	1	0	0	2
Administrative Clerk III	1	0	1	0	2
Analyst/Programmer II	1	0	0	0	1
Analyst/Programmer IV	1	0	0	0	1
Env Eng Associate	0	1	0	0	1
Env Eng Associate II	0	1	0	0	1
Environ Conserv Mgr III	1	0	0	0	1
Environ Eng Asst I	2	0	0	0	2
Environ Engineer I	2	0	1	3	6
Environ Engineer II	1	0	0	0	1
Environmental Spec I	2	1	0	0	3
Environmental Spec II	3	0	0	0	3
Environmental Spec III	0	1	2	3	6
Environmental Spec IV	2	1	1	0	4
Environmental Tech I	0	0	0	2	2
Environmental Tech II	2	1	1	3	7
Hydrologist II	2	0	0	0	2
Prog Coordinator	1	0	0	0	1
Regulations Spec II	0	0	1	0	1
Research Analyst II	1	0	0	0	1
Totals	23	7	7	11	48

Component: Solid Waste Management

Contact: Janice Adair, Director

Tel: (907) 269-7644 **Fax:** (907) 269-7654 **E-mail:** Janice_Adair@envircon.state.ak.us

Component Mission

Work cooperatively with municipalities, private businesses, and industrial companies to help improve environmental management and protection at Alaska's landfills.

Component Services Provided

- Review permit applications, including plans for operations, monitoring, management, construction, and closure; issue permits for solid waste treatment and disposal facilities; and review results of monitoring results that facilities submit to us.
- Conduct inspections of landfills to verify their compliance with permit conditions and regulations.
- Make site visits to small towns and villages to provide practical, hands-on advice that can help them better manage their solid waste.
- Stay in touch with owners of closed landfill sites to ensure they are taking suitable actions to prevent contamination.

Component Goals and Strategies

- 1) PROTECT PUBLIC HEALTH AND PROPERTY VALUES BY IMPROVING THE WAY SOLID WASTE IS MANAGED STATEWIDE.
 - Inspect facilities according to a priority schedule based on facility risk and compliance history.
 - Provide on-site technical assistance to operators of small landfills to improve solid waste management.
 - Enter into partnership arrangements with regional health organizations to hold operator training sessions in regional transportation hubs to encourage improvements in the management of village landfills.
 - Develop a state solid waste management plan that will outline broad goals and identify solid waste management strategies that may be effective in different areas of the state.
 - Support pilot regionalization projects as a way to ensure better and more cost-effective solid waste management in small communities.
 - Expand the use of fact sheets and training information posted on the division's web page as a cost-effective way to provide technical assistance to communities and industry.
- 2) IMPROVE OUR PROGRAM'S EFFECTIVENESS BY CONTINUING TO IMPROVE CUSTOMER SATISFACTION THROUGH OUTREACH AND POSITIVE INTERACTIONS.
 - Hold annual meetings of the Solid Waste Advisory Group to assure that we hear permittees' views and create a forum for communities to help each other.
 - Make additional use of general permits, permits by rule, and other mechanisms to streamline permitting. This will allow staff to spend more time in the field providing direct technical assistance to operators.
 - Develop and use feedback form to solicit input from permittees on how we are doing.
 - Develop changes to our fee system to comply with legislation passed in 2000.
 - Solicit ideas from interested parties to weigh the need for future regulatory changes with the desire for a stable, consistent regulatory program.

Key Component Issues for FY2001 – 2002

Long-term improvements in solid waste management have been extremely difficult to sustain at smaller facilities. We plan on reducing staff resources spent on permitting in favor of additional inspections and on-site technical assistance. We feel that technical assistance rather than permitting may achieve better results at small landfills. As part of the effort to seek long-term improvements, we will be using existing resources to develop a state solid waste

management plan that will outline broad state goals and solid waste management strategies that may be effective in different regions of the state.

Major Component Accomplishments for FY2000

Outlined issues and initiated discussions on how to make long-term improvements in solid waste management in Alaska.

Began work on a state solid waste management plan.

Held the third Solid Waste Advisory Group meeting to obtain feedback from our municipal waste permit holders on our program efforts, and share information about effective solid waste management techniques for small communities.

Worked with the Governor's office to secure an Alaska-specific amendment to the FAA Reauthorization Bill. A provision in the bill would have prohibited general aviation airports within six miles of a landfill - something that would have been impossible for most Alaska communities to comply with.

Statutory and Regulatory Authority

AS 44.46.020, AS 44.46.025, AS 46.03.100-120, AS 46.06.021, 18 AAC 60

Solid Waste Management

Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	702.9	839.3	840.6
72000 Travel	54.9	69.5	69.5
73000 Contractual	104.3	209.6	284.8
74000 Supplies	11.0	25.5	25.5
75000 Equipment	12.6	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	885.7	1,143.9	1,220.4
Funding Sources:			
1002 Federal Receipts	26.1	27.0	27.0
1004 General Fund Receipts	602.9	671.0	755.4
1005 General Fund/Program Receipts	256.5	433.6	438.0
1007 Inter-Agency Receipts	0.2	0.0	0.0
1053 Investment Loss Trust Fund	0.0	11.0	0.0
1108 Statutory Designated Program Receipts	0.0	1.3	0.0
Funding Totals	885.7	1,143.9	1,220.4

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
<u>Unrestricted Revenues</u>						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
<u>Restricted Revenues</u>						
Federal Receipts	51010	26.1	27.0	27.0	27.0	27.0
Interagency Receipts	51015	0.2	0.0	0.0	0.0	0.0
General Fund Program Receipts	51060	256.5	433.6	313.6	438.0	438.0
Statutory Designated Program Receipts	51063	0.0	1.3	1.3	0.0	0.0
Restricted Total		282.8	461.9	341.9	465.0	465.0
Total Estimated Revenues		282.8	461.9	341.9	465.0	465.0

Solid Waste Management**Proposed Changes in Levels of Service for FY2002**

No significant change in service anticipated.

Summary of Component Budget Changes**From FY2001 Authorized to FY2002 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	1,115.6	27.0	1.3	1,143.9
Adjustments which will continue current level of service:				
-Convert Special FY2001 Labor Cost Fund Sources to GF	1.3	0.0	-1.3	0.0
-Year 2 Labor Costs - Net Change from FY2001	1.3	0.0	0.0	1.3
Proposed budget increases:				
-HB 361 Second Year Increase	75.2	0.0	0.0	75.2
FY2002 Governor	1,193.4	27.0	0.0	1,220.4

Solid Waste Management
Personal Services Information

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	12	12	Annual Salaries	648,966
Part-time	0	0	COLA	9,155
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	202,844
			<i>Less 2.37% Vacancy Factor</i>	(20,365)
			Lump Sum Premium Pay	0
Totals	12	12	Total Personal Services	840,600

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Analyst/Programmer IV	1	0	0	0	1
Environ Conserv Mgr III	0	0	1	0	1
Environmental Spec I	0	0	1	0	1
Environmental Spec II	1	1	0	0	2
Environmental Spec III	2	1	1	0	4
Environmental Spec IV	1	1	1	0	3
Totals	5	3	4	0	12

BRU/Component: Statewide Public Services

(There is only one component in this BRU. To reduce duplicate information, we did not print a separate BRU section.)

Contact: Michael A. Conway, Director

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Component Mission

Improve environmental compliance by communities and businesses.

Component Services Provided

- Provide department-wide permit assistance.
- Provide technical and on-site help to reduce hazardous materials and wastes.
- Promote safe, practical, low-cost, and environmentally sound business practices and pollution prevention.
- Help small communities and small businesses focus first on the most serious environmental problems, then solve long-term needs.
- Coordinate agency actions on major, complex multi-program activities, such as the Alaska Cruise Ship Initiative, responding to state-declared disasters, National Missile Defense Systems project, EPA Performance Partnership Agreement, and the Anchorage Airport Gateway Project.
- Provide DEC oversight of the Valdez Marine Terminal operations and maintenance.
- Investigate and resolve environmental damages and threats to public health.
- Provide fair operating climates for those who comply with the law.

Component Goals and Strategies

- 1) **HELP COMMUNITIES ASSESS, RANK, AND BEGIN TO SOLVE THEIR OWN ENVIRONMENTAL PROBLEMS.**
 - Train community leaders and representatives to evaluate environmental problems and risks.
 - Work in partnership with community governments to develop safe, local solutions to environmental problems.
 - Assist communities in developing environmental management plans and programs.
- 2) **REDUCE EXPOSURE TO ENVIRONMENTAL HAZARDS.**
 - Assist communities in developing and managing their own household hazardous waste programs.
 - Lead the department in solving cruise ship air emission and wastewater discharge problems.
 - Provide deterrence to criminal dumping of hazardous substances by investigating and resolving serious violations of environmental law.
 - Ensure the Valdez Marine Terminal is operated and maintained in compliance with State laws and regulations.
- 3) **REDUCE WASTE GENERATED BY BUSINESSES.**
 - Provide non-enforcement technical assistance services requested by businesses, to help them learn about cost-effective options for pollution prevention and compliance.
 - Conduct follow-up site visits to measure effectiveness of services.
- 4) **ENSURE THAT SMALL BUSINESSES GET THE SPECIFIC ASSISTANCE THEY NEED TO PREVENT POLLUTION AND ENSURE ENVIRONMENTAL COMPLIANCE.**
 - Conduct compliance assistance site visits (non-enforcement and at the request of the business), teleconferences, training and prepare fact sheets to help businesses learn cost-effective ways to reduce pollutants.
 - Provide follow-up assistance to small businesses to comply with environmental requirements using tools tailored to the size and type of business.

- Measure the small business assistance effectiveness by evaluating customer satisfaction and tracking progress toward compliance.
- 5) IMPROVE VOLUNTARY COMPLIANCE AND POLLUTION PREVENTION AS AN ALTERNATIVE TO ENVIRONMENTAL REGULATION.
- Assist the 463 businesses enrolled in the Green Star program to reduce waste, recycle, and conserve energy.
 - Develop and implement the environmental leadership program, which provides incentives for reducing pollution.
 - Achieve reductions in pollution through partnerships with business associations, industry, and federal facilities.
 - Support projects that help create new businesses and jobs through recycling.
 - Provide cost-effective alternatives to landfill waste disposal.
 - Conduct outreach presentations to help the public learn ways to reduce hazards and pollution.

Key Component Issues for FY2001 – 2002

No Key Issues.

Major Component Accomplishments for FY2000

- Managed the Alaska Cruise Ship Initiative (composed of Environmental Conservation, Coast Guard, Industry, and Community members) to determine what is being discharged from cruise ships, if the discharges are harmful and what if anything needs to be done to mitigate potential damages.
- Through the 7 Generations project more than 130 villages have completed environmental assessments. Regional tribal organizations have been awarded \$500,000 in federal grants, based on these assessments.
- Through voluntary compliance programs, 1241 environmental violations were identified, 72%, have been corrected without enforcement procedures.
- Streamlined permitting by web enabling the permit questionnaire and automating some permits.
- 71 allegations of environmental crimes were investigated with the state collecting \$22,500 in civil settlements and \$185,736 in fines.
- Provided compliance assistance materials to over 3000 people via booths at conferences, conventions, fairs and workshops.
- Coordinated the first-time collection of household hazardous waste and batteries from 10 communities along the Yukon River as part of the Yutana Barge Lines Settlement Agreement.
- Via the Alaska Materials Exchange, 63,000 pounds of product destined for the landfill was reused.
- Prevented over 250 55-gallon drums of household hazardous waste from being placed into small community landfills in Southeast.
- 4 Commissioner's Pollution Prevention Awards were given to business that have demonstrated environmental leadership. Sponsored Pollution Prevention Week.
- Conducted over 65 visits to Air Force and Department of the Interior facilities to identify and correct environmental regulatory problems through "enforcement free" compliance assistance.
- Assisted the composting industry's work group develop composting standards.
- Provided technical assistance during the following disasters: the winter 2000 storms/avalanche catastrophes, the 1999 and 2000 fish disasters/Operation Renew Hope, and Kake water supply distribution.
- Coordinated the department's participation in the permitting of the National Missile Defense System.

Statutory and Regulatory Authority

AS46.06, AS46.06.021, AS46.06.031, AS46.11.060, AS46.11.070, AS46.14.300, AS46.14.320, 18 AAC 50, 18 AAC 60, 18 AAC 75

Key Performance Measures for FY2002

Measure: The percentage change in compliance.

(Added by Legislature in FY2001 version.)

Current Status:

The Statewide Public Services Division (SPS) no longer receives federal grant funds for hazardous waste compliance assistance. However, we still provide overall compliance assistance to all facilities voluntarily requesting assistance. The division is in the process of implementing a compliance assistance tracking system designed to collect information for all technical assistance.

Benchmark:

Maintain the 95% compliance rate, while increasing the number of facilities taking advantage of this service by 5% each year.

Background and Strategies:

In previous years Statewide Public Services collected information specifically targeting hazardous waste compliance under a federal grant agreement with the Environmental Protection Agency (EPA). The division only tracked information specifically related to facilities handling Resource Conservation and Recovery Act regulated materials.

Since FY 1998, assistance has been provided to approximately 60 companies annually and corrected 95% of their hazardous waste compliance concerns. Potential EPA violations avoided through voluntary corrective action range from 230 to over 800 annually. These violations have been avoided as a result of voluntary inspections and follow-up actions provided by the division.

To achieve our goal, we will implement the following strategies:

- Obtain federal funding from sources that can support our goals for compliance assistance.
- Increase outreach to facilities through education with business associations, at workshops, fairs, and community events.
- Contact facility owners and operators by mailing out information describing successful results.
- Target priority areas of the state where compliance assistance is unknown.

Measure: Facility savings resulting from Statewide Public Services assistance.

(Revised from Legislature's FY2001 version.)

Current Status:

Statewide Public Services (SPS) issues the Alaska Materials Exchange (AME) catalog quarterly throughout the year. Even though our ability to measure savings is limited by the responses we receive to our requests for sharing successful exchanges, we know there has been over \$1.5 million savings to Alaska businesses since the project began. The division collaborates with Chambers of Commerce to assist nearly 500 business in reusing and recycling materials through the Green Star program; however we have not tracked the associated savings. Other kinds of assistance provided by SPS have not been tracked from a cost-savings measure. There has been no measurement of incidental savings to facilities, such as reduced disposal of materials in landfills, or avoiding responses to illegal dumping of wastes, and no measurement of voluntary compliance.

Benchmark:

Increase the number of facilities experiencing costs savings for compliance, pollution prevention, and reusing/recycling materials by 10% each year. Assist facilities in realizing a savings of at least 10% of operating costs through pollution prevention and compliance.

Background and Strategies:

Even though there is no information available on the economic savings to all facilities that receive assistance from SPS, there is some information through AME, which was started in 1994. SPS supports AME, which is an information clearinghouse that helps businesses reuse valuable materials, rather than dispose of them as waste.

To achieve our goal, we will implement the following strategies:

- Increase the division's ability to more accurately identify and track direct cost savings to facilities, along with incidental savings to others.
- Share information of the cost-savings to other facility owners and operators in an effort to get greater participation.
- Increase AME outreach through use of the catalog on the Internet, and thereby reducing the number of paper copies required to share the information.
- Integrate AME, Green Star, and other ways of reusing and recycling materials with compliance assistance services.

Measure: The percentage of site visits and field activities that result in voluntary compliance.

(Revised from Legislature's FY2001 version.)

Current Status:

Over the last year, Statewide Public Services (SPS) performed 112 voluntary assistance site visits to businesses, which resulted in a 72% compliance rate. During the same period, the division provided household hazardous waste disposal assistance to 11 communities in Southeast Alaska and 10 communities along the Yukon River. This resulted in the removal of 461 55-gallon drums, thereby keeping those materials out of their landfills and in compliance with applicable requirements.

Benchmark:

To reach and maintain 95% compliance through site visits and field activities.

Background and Strategies:

Through education and outreach, particularly targeted at business, community, and tribal associations, increase the number of facilities in compliance through voluntary, innovative methods. Provide more aggressive follow-up with those facilities that need continuing assistance in reaching compliance.

Measure: The percentage of completed environmental assessments in communities.

(Added by Legislature in FY2001 version.)

Current Status:

Approximately 200 residents of 70 villages have taken 7 Generations training on how to perform environmental assessments. Approximately 80% of those villages have completed their environmental assessment.

Benchmark:

100% of the villages participating in environmental assessment training should complete their environmental assessments. Our goal is to get 90% of the rural villages enrolled in the program.

Background and Strategies:

7 Generations training relies on voluntary participation by villages and funding support by community/tribal organizations. By word-of-mouth from those taking the course and performing assessments, we are seeing an increased interest from villages who are experiencing environmental and public health problems. We are also seeing interest from other agencies (USDA, Denali Commission, EPA) wanting to assist native communities in community planning, so we are working more closely with them to deliver our services to additional villages. The next step after villages completing an environmental assessment is taking action to address priority problems. Statewide Public Services will be a key partner in working with the communities and other interested agencies in coming up with the resources to actually make a difference.

Measure: The percentage of telephone contacts, web site visits, and walk in visits that result in useful assistance to achieve environmental and human health awareness and compliance.

(Revised from Legislature's FY2001 version.)

Current Status:

The division has achieved a 99% satisfaction rate. This rate is based on the return of feedback forms from the users of our service.

Benchmark:

Maintain 99% satisfaction rate, while increasing technical assistance to Alaskans through better use of information technology.

Background and Strategies:

Statewide Public Services provides information assistance and technical assistance to many individuals, small businesses, and small communities who normally do not have environmental expertise, through staff or contractors. We measure our performance through feedback forms. We have established Information Assistance Centers in Anchorage, Fairbanks, and Juneau for walk-ins. We are increasing our participation in community events like fairs, workshops, school environmental and career events, and community association activities. We are working with business groups and associations to provide a better understanding of DEC assistance available. We encourage those having successful experiences to share their results with other associates.

Status of FY2001 Performance Measures

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
<ul style="list-style-type: none"> • The percentage change in compliance. • The costs for environmental compliance per facility • The average cost per contact for assistance. • The percentage of contacts that result in compliance. • The percentage of completed environmental assessments in communities. • The percentage of department contacts that result in a favorable experience. 		X		X	X
		X			X

Statewide Public Services

Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,032.5	1,208.3	1,360.7
72000 Travel	69.6	111.0	112.9
73000 Contractual	297.0	396.1	388.8
74000 Supplies	10.6	18.0	16.0
75000 Equipment	15.8	13.2	12.8
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,425.5	1,746.6	1,891.2
Funding Sources:			
1002 Federal Receipts	567.8	822.5	823.7
1003 General Fund Match	34.2	35.2	35.5
1004 General Fund Receipts	135.7	106.5	108.0
1005 General Fund/Program Receipts	0.0	26.7	27.0
1007 Inter-Agency Receipts	36.8	51.1	312.6
1052 Oil/Hazardous Response Fund	572.6	582.1	583.9
1053 Investment Loss Trust Fund	0.0	1.1	0.0
1079 Storage Tank Assistance Fund	0.5	0.5	0.5
1093 Clean Air Protection Fund	77.9	120.8	0.0
1108 Statutory Designated Program Receipts	0.0	0.1	0.0
Funding Totals	1,425.5	1,746.6	1,891.2

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Federal Receipts	51010	567.8	822.5	822.5	823.7	823.7
Interagency Receipts	51015	36.8	51.1	51.1	312.6	312.6
General Fund Program Receipts	51060	0.0	26.7	26.7	27.0	27.0
Statutory Designated Program Receipts	51063	0.0	0.1	0.1	0.0	0.0
Clean Air Protection Fund	51207	77.9	120.8	120.8	0.0	0.0
Restricted Total		682.5	1,021.2	1,021.2	1,163.3	1,163.3
Total Estimated Revenues		682.5	1,021.2	1,021.2	1,163.3	1,163.3

Statewide Public Services**Proposed Changes in Levels of Service for FY2002**

No significant changes in services are anticipated.

Summary of Component Budget Changes**From FY2001 Authorized to FY2002 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	169.5	822.5	754.6	1,746.6
Adjustments which will continue current level of service:				
-Transfer the Small Business Assistance Program to Air Quality Component	0.0	0.0	-120.8	-120.8
-Transfer the Alaska Coastal Management Program from Water Quality Component	0.0	0.0	91.5	91.5
-Convert Special FY2001 Labor Cost Fund Sources to GF	0.1	0.0	-0.1	0.0
-Transfer positions and funding for the Valdez Joint Pipeline Office from Air and Water Quality.	0.0	0.0	166.4	166.4
-Year 2 Labor Costs - Net Change from FY2001	0.9	1.2	5.4	7.5
FY2002 Governor	170.5	823.7	897.0	1,891.2

Statewide Public Services

Personal Services Information

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	17	20	Annual Salaries	1,061,342
Part-time	1	1	COLA	16,847
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	339,073
			<i>Less 3.99% Vacancy Factor</i>	(56,562)
			Lump Sum Premium Pay	0
Totals	18	21	Total Personal Services	1,360,700

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk III	1	0	0	0	1
Division Director	0	0	1	0	1
Environ Conserv Mgr I	0	1	1	0	2
Environ Engineer I	0	1	0	0	1
Environ Engineer II	0	0	1	0	1
Environmental Spec II	0	0	1	0	1
Environmental Spec III	3	0	1	3	7
Environmental Spec IV	1	0	0	1	2
Environmental Tech II	2	0	0	0	2
Investigator III	1	0	0	0	1
Investigator IV	0	1	0	0	1
Secretary	0	0	1	0	1
Totals	8	3	6	4	21

Air and Water Quality Budget Request Unit

Contact: Tom Chapple, Director

Tel: (907) 269-7634 **Fax:** (907) 269-3098 **E-mail:** TChapple@envircon.state.ak.us

BRU Mission

Protect air and water quality.

BRU Services Provided

- Improve air and water quality conditions where they are below public health or environmental standards.
- Issue air and water quality permits based on sound science to facilities and operations that release potentially harmful pollutants.
- Ensure facility compliance with permit conditions.
- Assist communities in the protection of their air and water quality.
- Operate a database to enable rapid public access to air and water quality data.

BRU Goals and Strategies

- 1) IMPROVE AIR AND WATER QUALITY
 - Using the priorities and objectives of the Alaska Clean Water Action Plan, strive to align all governmental water quality enhancement and protection projects to achieve the stated goals of the plan.
 - Develop, amend, and maintain water quality standards to protect and manage the best uses of Alaska's water resources.
 - Implement an Internet based database for air and water quality information to provide broad access to information that will enhance knowledge and decision making capability for air and water resources.
 - Avoid EPA's sanctioning of federal highway funds by assisting Anchorage and Fairbanks in conclusively showing that carbon monoxide exposures will be kept within the public standards.

Key BRU Issues for FY2001 – 2002

The state, federal agencies, local governments and other non-governmental entities are all spending time and money to preserve and enhance water quality. State and local governments receive federal funds for various water quality projects. Several federal agencies are also working to preserve and enhance water quality. It is essential to develop a unified approach to prioritizing and collaborating on water quality projects. DEC has taken the lead in developing the Alaska Clean Water Action plan. The plan is in the process of going through a comprehensive public review and outreach that will be finalized in late 2001. The plan will provide a process to identify and prioritize the highest needs in the state for protecting water quality. It will set common principles for decision making at the state level. Federal agencies, local government and other entities are expected to use this roadmap in prioritizing and funding water quality projects.

Anchorage and Fairbanks continue to have pollution problems from carbon monoxide. Anchorage has attained the national clean air standards, but violations can still occur. Fairbanks has failed to meet the standards. The department will continue to work closely with EPA and both communities to develop effective carbon monoxide control programs not only to avoid the loss of highway funds but also to protect public health.

Major BRU Accomplishments for FY2000

Convened a stakeholder's work group to develop and recommend options to rebuild a comprehensive and efficient state water discharge permit program and set up a plan to implement these options.

Sponsored an EPA Water Quality Standards Academy basis training course for department staff and statewide stakeholders. The training provided an opportunity for state employees and stakeholders to become educated about the Clean Water Act and EPA's water quality standards program.

Resolved a deadlock on issuing air operating permits. Permits are now being issued at a rate of 5 to 8 per month.

Key Performance Measures for FY2002

Measure: The cost per permit issued *(Added by Legislature in FY2001 version.)*

Current Status:

Air Quality: We have a time billing system using codes for various activities. We track the total amount time billed to the companies for staff time on permit issuance activities for permits that have been issued. Under this billing system, an operating permit costs \$9,006.

Water Quality: DEC is re-assessing what would be appropriate fees and related tracking system.

Benchmark:

Determine and reduce the cost per permit issued.

Background and Strategies:

Air Quality: An Air Permit Benchmarking study has just been completed. The study was conducted to find ways to streamline the air permit process. A final report of this study was completed by November 2000. The strategy used to accomplish the benchmark will be the implementation of the key recommendations from the Air Permit Benchmarking study.

Water Quality: To determine and reduce permit costs, the department will be revising fees according to the requirements of HB361.

Measure: Whether the carbon monoxide levels in Fairbanks and Anchorage meet health standards. *(Added by Legislature in FY2001 version.)*

Current Status:

For the past three winters (e.g., 1997, 1998, and 1999) Anchorage has met the health standard benchmark. Violations could still occur. Fairbanks has failed to meet the standard. In 1998, Fairbanks exceeded the standard twice. In 1999, Fairbanks exceeded the standard three times.

Benchmark:

Attainment of the national ambient air quality standards.

Background and Strategies:

DEC is working closely with Fairbanks Borough, Municipality of Anchorage and EPA to develop plans to further improve air quality. The plan for Fairbanks is to be completed by August 2001 and the plan for Anchorage is to be completed by December 2001.

Measure: The average time taken from receipt of a permit application to approval. *(Added by Legislature in FY2001 version.)*

Current Status:

Air Quality: The average time is 278 days.

Water Quality: DEC has just begun the redesign efforts for Water Permits.

Benchmark:

Decrease in time from receipt to approval per permit type.

Background and Strategies:

Air Quality: We maintain a construction permit file of pending permit applications and track issuance of permits. We use median time average for evaluating this performance measure. There are three types of averages: mode, arithmetic mean, and median. Mode is the value that occurs most frequently in a series of data. Arithmetic mean, commonly known as average, is affected by the exceptional and unusual. It emphasizes the extreme variations. In permitting, a complicated or controversial permit may take a very long time increasing the average even if most of the permits take a much shorter time. The most appropriate average measure for air permitting is median time. Median is determined by calculating the time from when the staff begins work on a permit until the permit is effective for operating permits. These times are then arranged in order from the lowest to the highest. For operating permits, the median time is the value where half the permits take a longer time and half the permits take a shorter time.

In accomplishing the benchmark, we will:

- Adopt regulations to make permits more uniform.
- Implement key recommendations from the Air Permits Benchmarking study.

Water Quality: In accomplishing the benchmark, we will:

- Re-design our permitting system to fast-track lower risk activities.
- Examine possible interagency regulatory time clocks for streamlining opportunities.

Measure: The average time taken from receipt of a permittee complaint to resolution of the complaint.

(Added by Legislature in FY2001 version.)

Current Status:

We are currently not tracking this performance measure, as we have not received many permittee complaints.

Benchmark:

Decrease in time from receipt of permittee complaint to resolution.

Background and Strategies:

The Division will begin tracking this measure at the program level and higher. This will be accomplished by establishing a method to track permittee complaints, i.e., complaint log.

Measure: The percentage of facilities inspected according to risk-based inspection frequency.

(Added by Legislature in FY2001 version.)

Current Status:

Air Quality: The risk-based inspection strategy identified 51 facilities requiring inspections. All 51 facilities have been inspected.

Water Quality: We are not currently tracking this performance measure as we do not have a risk-based inspection frequency program.

Benchmark:

Increase the percentage of higher risk facilities inspected.

Background and Strategies:

Air Quality: Some of the factors that make up risk based targeting are:

- Size of facility
- When the facility was last inspected
- Actual quantity of emissions
- Actual hazardous air pollutant emission
- Compliance history

Risk factors should be reconsidered in light of trends regarding non-compliance and the new law which relies upon operator self-reporting and verifying compliance. We expect to maintain our current level of effort.

Water Quality: To increase the percentage of higher risk facilities inspected, we will establish a risk-based inspection program.

Measure: The number of activities covered by fast-track general permits as compared to the total number of permits

(Not yet addressed by Legislature.)

Current Status:

Air Quality: We have developed pre-approved limits, owner requested limits, Permit By Rule, and nine general permit to fast-track the normal permitting process.

Water Quality: We currently issue fast-track general permits and we are also waiving permit requirements for certain low risk activities.

Benchmark:

Increase in number of activities covered by fast-track permits as compared to the total number of permits.

Background and Strategies:

Air Quality: In order to increase the number of activities covered by fast-track permits, we will:

- Adopt the Permit By Rule for oil drilling regulations.
- Combine unified permitting for solid waste landfills.
- Continue to identify general permit opportunities during permit reviews.

Water Quality: In order to increase the number of activities covered by fast-track permits, we will increase other fast-track options based upon risk to the environment and public health.

Measure: Percentage of timber operations inspected using best management practices.

(Not yet addressed by Legislature.)

Current Status:

Based upon the Department of Natural Resource's Best Management Practice (BMP) implementation monitoring completed on private lands in 1997, BMP's were fully or adequately implemented in the upper eighty to low ninety percentiles. Partial analysis of the 1999 BMP implementation monitoring data indicate overall implementation of selected BMPs on private land as slightly over what was reported in 1997. Monitoring conducted on federal lands indicates BMP implementation rates approach 98%.

Benchmark:

Implementation by 100% of forest operators.

Background and Strategies:

Continued monitoring and education. Maintain adequate field presence by state resource agencies to work with operators.

Measure: Percentage of construction operations inspected using best management practices.

(Not yet addressed by Legislature.)

Current Status:

We did not historically track this performance measure. We began tracking this measure July 1, 2000.

Benchmark:

Percent increase of construction operations inspected using best management practices.

Background and Strategies:

To accomplish this benchmark, we will be developing a risk-based inspection/monitoring program.

Measure: Number of water bodies with confirmed pollution that have been restored.
(Not yet addressed by Legislature.)

Current Status:

There are fifty-eight water bodies with confirmed pollution. In a typical year, at least two water bodies are identified as restored.

Benchmark:

Decrease number of impaired water bodies with confirmed pollution.

Background and Strategies:

Through the Alaska Clean Water Action Plan, we will develop individual water body recovery plans and institutional control programs.

Status of FY2001 Performance Measures

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
<ul style="list-style-type: none"> • The cost per permit issued. • Whether the carbon monoxide levels in Fairbanks and Anchorage meet health standards. • The average time taken from receipt of a permit application to approval. • The average time taken from receipt of a permittee complaint to resolution of the complaint. • The percentage of facilities inspected according to risk-based inspection frequency. • The number of activities covered by fast-track general permits as compared to the total number of permits. • Percentage of timber operations inspected using best management practices. • Percentage of construction operations inspected using best management practices. • Number of water bodies with confirmed pollution that have been restored. 			X X X X X X X		

Air and Water Quality
BRU Financial Summary by Component

All dollars in thousands

	FY2000 Actuals				FY2001 Authorized				FY2002 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Formula Expenditures None.												
Non-Formula Expenditures												
Air and Water Director	200.8	0.0	262.3	463.1	213.0	0.0	258.3	471.3	214.3	0.0	6.4	220.7
Air Quality	1,146.7	1,408.8	3,690.2	6,245.7	1,148.9	1,620.6	2,156.5	4,926.0	1,144.6	1,623.6	2,282.0	5,050.2
Water Quality	1,400.3	1,549.1	286.9	3,236.3	1,852.9	2,188.4	874.7	4,916.0	2,258.4	2,182.9	245.0	4,686.3
Non-Pnt Source Pollution Cntrl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,715.4	0.0	1,715.4
Totals	2,747.8	2,957.9	4,239.4	9,945.1	3,214.8	3,809.0	3,289.5	10,313.3	3,617.3	5,521.9	2,533.4	11,672.6

Air and Water Quality

Proposed Changes in Levels of Service for FY2002

The Non Point Source BRU was transferred as a component under the umbrella of Air and Water Quality BRU. There was no benefit for this program to be under a separate BRU since it had been managed and administered by Air and Water Quality. There should be no changes in the services provided by this program.

We expect an improvement in the level of service in waste water discharge permitting. This is a result of the implementations of the comprehensive re-design of this program.

Air and Water Quality

Summary of BRU Budget Changes by Component

From FY2001 Authorized to FY2002 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	3,214.8	3,809.0	3,289.5	10,313.3
Adjustments which will continue current level of service:				
-Air and Water Director	1.3	0.0	-251.9	-250.6
-Air Quality	-4.3	3.0	125.5	124.2
-Water Quality	405.5	-5.5	-489.0	-89.0
Proposed budget decreases:				
-Water Quality	0.0	0.0	-140.7	-140.7
FY2002 Governor	3,617.3	5,521.9	2,533.4	11,672.6

Component: Air and Water Director

Contact: Tom Chapple, Director

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Component Mission

Lead and direct division staff in accomplishing the division's goals.

Component Services Provided

- Overall leadership and management of the air and water quality programs of the division.

Component Goals and Strategies

- 1) **MANAGE AIR AND WATER QUALITY PROGRAMS WITHIN THE DIVISION.**
 - Establish clear goals and objectives for each program of the division to support individual work plans, performance expectations and efficiencies.
 - Work with external stakeholders to assess the value of the division's work products.
 - Continue to engage other state and federal agencies, local governments and non-governmental organizations in the refinement of the Alaska Clean Water Action Plan to unify water quality protection and restoration efforts and maximize the beneficial uses of the water resources.
 - Implement a substantially re-designed wastewater discharge permit program that provides a higher level of service based upon the level of risk to health or environment.

Key Component Issues for FY2001 – 2002

The director's office must ensure that the resources and priorities of the division are directed towards the fulfillment of the division's mission to protect air and water quality. This office will seek to finalize the Alaska Clean Water Action plan, so there will be a set of common principles in prioritizing the highest need for protecting water quality projects.

Major Component Accomplishments for FY2000

In partnership with Alaska Oil and Gas Association and EPA conducted an air permitting Benchmark study to examine the permitting programs in other states to learn how to improve Alaska's air permitting services.

Resolved a deadlock on issuing air operating permits. Permits are now being issued at a rate of 5 to 8 per month.

Challenged the Environmental Protection Agency about its intervention of the Alaska Permits Program concerning the state's decision on pollution control equipment at the Cominco Red Dog Mine. We felt strongly that EPA over-stepped its authority in rejecting the air quality permit issued by the Department. Appeal is awaiting action by the US Ninth Circuit Court of appeals.

Statutory and Regulatory Authority

AS 46.03; AS 46.04; AS 46.08; AS 46.13; AS 46.14; 18 AAC 15; 18 AAC 50; 18 AAC 52; 18 AAC 53; 18 AAC 62; 18 AAC 63; 18 AAC 70; 18 AAC 72; Clean Air Act; Clean Water Act; Resource Conservation and Recovery Act.

Air and Water Director

Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	397.9	395.1	144.5
72000 Travel	22.8	19.3	19.3
73000 Contractual	18.5	46.3	46.3
74000 Supplies	6.5	10.6	10.6
75000 Equipment	17.4	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	463.1	471.3	220.7
Funding Sources:			
1004 General Fund Receipts	200.8	212.0	214.3
1007 Inter-Agency Receipts	262.3	258.0	6.4
1053 Investment Loss Trust Fund	0.0	1.0	0.0
1108 Statutory Designated Program Receipts	0.0	0.3	0.0
Funding Totals	463.1	471.3	220.7

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Interagency Receipts	51015	262.3	258.0	258.0	6.4	6.4
Statutory Designated Program Receipts	51063	0.0	0.3	0.3	0.0	0.0
Restricted Total		262.3	258.3	258.3	6.4	6.4
Total Estimated Revenues		262.3	258.3	258.3	6.4	6.4

Air and Water Director**Proposed Changes in Levels of Service for FY2002**

No significant changes in the level of services are anticipated.

Summary of Component Budget Changes**From FY2001 Authorized to FY2002 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	213.0	0.0	258.3	471.3
Adjustments which will continue current level of service:				
-Partial transfer of the Valdez Joint Pipeline Office to Industry Preparedness and Pipeline Operation	0.0	0.0	-82.2	-82.2
-Convert Special FY2001 Labor Cost Fund Sources to GF	0.3	0.0	-0.3	0.0
-Partial transfer Valdez Joint Pipeline Office to Statewide Public Services	0.0	0.0	-166.4	-166.4
-Year 2 Labor Costs - Net Change from FY2001	1.0	0.0	-3.0	-2.0
FY2002 Governor	214.3	0.0	6.4	220.7

Air and Water Director

Personal Services Information

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	5	2	Annual Salaries	111,562
Part-time	0	0	COLA	2,206
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	34,638
			<i>Less 2.63% Vacancy Factor</i>	(3,906)
			Lump Sum Premium Pay	0
Totals	5	2	Total Personal Services	144,500

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Division Director	1	0	0	0	1
Secretary	1	0	0	0	1
Totals	2	0	0	0	2

Component: Air Quality

Contact: Tom Chapple, Director

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Component Mission

Identify, prevent, abate, and control air pollution to protect public health and the environment in a cost-effective, accountable manner.

Component Services Provided

- Issue air quality permits to facilities that release potentially harmful pollutants, and assure compliance with permit conditions through inspections and monitoring.
- Work cooperatively with communities to reduce public health threats from carbon monoxide and breathable particulate pollution.
- Assess air quality to identify areas where air quality and visibility are at risk or below acceptable levels.
- Oversee radiological assessment activities at Amchitka Island.

Component Goals and Strategies

- 1) **MONITOR AMBIENT AIR FOR POLLUTANTS TO PROTECT PUBLIC HEALTH.**
 - Operate air pollution monitors at various locations statewide with a focus on carbon monoxide and particulate matter in Anchorage, Fairbanks, and Juneau.
 - Conduct special air monitoring studies for priority areas.
 - Determine if various locations in Alaska meet the new public health standard for fine particle air pollution.
 - Monitor air quality during natural and human-caused disasters to provide public health advisories.
 - Investigate air quality violations from suspected pollutant sources.
 - Provide, when possible, real-time ambient air quality data relevant to possible air quality violations.
 - Assess radiation contamination and evaluate risks posed by leakage of contaminants at Amchitka Island.
- 2) **RETAIN STATE PRIMACY.**
 - Implement an air quality permit program based on sound science and air quality principles.
 - Issue permits to facility operators, using general permits wherever appropriate.
 - Implement selected findings of air permitting benchmark study.
- 3) **IMPROVE AIR QUALITY AND AVOID SANCTIONS OF HIGHWAY FUNDS.**
 - Work cooperatively with communities to achieve attainment of air quality standards for carbon monoxide (Anchorage and Fairbanks) and particulate matter (Anchorage and Juneau).
 - Assess and modify control strategies in areas failing to meet the air quality health standards.
 - Ensure compliance with control strategies, including the vehicle inspection and oxygenated fuels program.
 - Develop and implement public awareness programs related to health standards and air quality control programs.
 - Assist local communities in developing and implementing their air quality education program.
 - Assess visibility in Alaska's Class I areas and develop strategies to correct any impairment.

Key Component Issues for FY2001 – 2002

Pollution from carbon monoxide continues to present problems for Anchorage and Fairbanks. Although Anchorage has attained the national clean air standards, violations can still occur. Fairbanks has difficulty meeting the standards. If either Fairbanks or Anchorage does not meet the national standards, EPA can sanction federal highway funds as early as April 2002. We will continue to work closely with EPA and with both communities to develop effective carbon monoxide control programs not only to avoid the loss of highway funds but also to protect public health.

Toxic air pollutants are a group of pollutants that are known or suspected to cause cancer and other serious health conditions such as birth defects. We will complete an assessment of toxic air pollution sources in Alaska and conduct a risk analysis to ascertain public health risks. If significant risks are apparent, we will develop and implement approaches in education, voluntary action or advisory measures to reduce these risks.

Major Component Accomplishments for FY2000

Developed revisions to the vehicle inspection and maintenance program to address Y2K issues and new federal requirements. These revisions made registrations of vehicles faster and easier. They also increased the department's ability to identify and track non-complying motorists. As a result, DEC was able to reduce tailpipe emissions.

Conducted phase I of a cold temperature, ambient carbon monoxide monitoring study in Fairbanks for use in developing an enhanced control plan.

Started the analyses of subsistence foods collected from the Aleutian communities during FY1999. They are to be analyzed for contaminants and nutrients. This is a critical step in evaluating the impacts of nuclear testing and military activities in the Aleutian Islands.

Issued 17 permits for the construction of new industrial facilities and modification to existing facilities. Issued 22 operating permits to industrial facilities and helped 8 operators avoid the need and cost of an operating permit.

Investigated 115 citizen air pollution complaints. Made 51 visits to permitted sites to help operators comply with air permits and resolved 55 compliance problems without the need for formal enforcement action.

Convened a workgroup to develop facts and resolve issues relating to air emissions of cruise ships. Established a joint air monitoring project in downtown Juneau with the cruise ship industry and concerned citizens to assess ambient levels of sulfur dioxide, nitrogen dioxide and particulate and their potential impact public health.

Statutory and Regulatory Authority

AS 46.03; AS 46.14; AS 44.43; AS 46.45; 18 AAC 50; 18 AAC 52; 18 AAC 53; Federal Clean Air Act

Air Quality

Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	3,025.9	3,266.9	3,366.8
72000 Travel	179.4	222.2	227.3
73000 Contractual	2,742.7	1,181.5	1,198.3
74000 Supplies	94.6	119.8	121.8
75000 Equipment	203.1	135.6	136.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	6,245.7	4,926.0	5,050.2
Funding Sources:			
1002 Federal Receipts	1,408.8	1,620.6	1,623.6
1003 General Fund Match	933.7	865.9	880.5
1005 General Fund/Program Receipts	213.0	264.1	264.1
1007 Inter-Agency Receipts	1,945.8	0.0	0.0
1053 Investment Loss Trust Fund	0.0	18.9	0.0
1061 Capital Improvement Project Receipts	108.7	111.4	111.6
1093 Clean Air Protection Fund	1,635.7	2,044.9	2,170.4
1108 Statutory Designated Program Receipts	0.0	0.2	0.0
Funding Totals	6,245.7	4,926.0	5,050.2

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
Unrestricted Revenues						
Unrestricted Fund	68515	0.0	50.0	50.0	50.0	10.0
Unrestricted Total		0.0	50.0	50.0	50.0	10.0
Restricted Revenues						
Federal Receipts	51010	1,408.8	1,620.6	1,603.3	1,623.6	1,623.6
Interagency Receipts	51015	1,945.8	0.0	0.0	0.0	0.0
General Fund Program Receipts	51060	213.0	264.1	264.6	264.1	264.1
Statutory Designated Program Receipts	51063	0.0	0.2	0.2	0.0	0.0
Capital Improvement Project Receipts	51200	108.7	111.4	108.7	111.6	111.6
Clean Air Protection Fund	51207	1,635.7	2,044.9	1,925.4	2,170.4	2,170.4
Restricted Total		5,312.0	4,041.2	3,902.2	4,169.7	4,169.7
Total Estimated Revenues		5,312.0	4,091.2	3,952.2	4,219.7	4,179.7

Air Quality**Proposed Changes in Levels of Service for FY2002**

As the department implements knowledge gained from air permitting benchmark study, services are expected to be enhanced from efficiency and scheduling perspective.

Summary of Component Budget Changes**From FY2001 Authorized to FY2002 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	1,148.9	1,620.6	2,156.5	4,926.0
Adjustments which will continue current level of service:				
-Transfer in Small Business Assistance Program from Statewide Public Services	0.0	0.0	120.8	120.8
-Convert Special FY2001 Labor Cost Fund Sources to GF	0.2	0.0	-0.2	0.0
-Year 2 Labor Costs - Net Change from FY2001	-4.5	3.0	4.9	3.4
FY2002 Governor	1,144.6	1,623.6	2,282.0	5,050.2

Air Quality

Personal Services Information

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	51	52	Annual Salaries	2,712,164
Part-time	0	0	COLA	38,074
Nonpermanent	0	0	Premium Pay	1,901
			Annual Benefits	866,600
			<i>Less 6.96% Vacancy Factor</i>	(251,939)
			Lump Sum Premium Pay	0
Totals	51	52	Total Personal Services	3,366,800

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk II	1	0	2	0	3
Administrative Clerk III	0	0	1	0	1
Analyst/Programmer IV	1	0	0	0	1
Chemist II	1	0	0	0	1
Chemist IV	0	0	1	0	1
Env Eng Associate	3	3	4	0	10
Env Eng Associate II	2	1	2	0	5
Environ Conserv Mgr I	1	0	1	0	2
Environ Conserv Mgr II	0	0	1	0	1
Environ Conserv Mgr III	0	0	1	0	1
Environ Eng Asst I	1	0	1	0	2
Environ Eng Asst II	2	0	2	0	4
Environ Engineer I	0	1	2	0	3
Environ Engineer II	0	1	0	0	1
Environmental Spec I	1	1	0	0	2
Environmental Spec II	2	0	1	0	3
Environmental Spec III	4	1	2	0	7
Environmental Spec IV	1	0	1	0	2
Maint Spec Etronics Journey I	0	0	1	0	1
Prog Coordinator	1	0	0	0	1
Totals	21	8	23	0	52

Component: Water Quality

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Component Mission

Identify, abate, and control water pollution in a cost effective, accountable manner to protect public health and preserve the many uses of Alaska's waters.

Component Services Provided

- Assess, protect, and restore water quality in waters of the state.
- Develop or amend water quality standards and criteria for the best management of Alaska waterbodies.
- Implement statewide water quality protection and control programs for non-point source pollution.
- Implement recommendations of the permit stakeholder work group in issuing water quality permits and ensure compliance with those permits.

Component Goals and Strategies

- 1) DEVELOP, AMEND, AND MAINTAIN WATER QUALITY STANDARDS TO PROTECT AND MANAGE FOR THE BEST USES OF ALASKA'S WATER RESOURCES.
 - Assist the public, legislature, industry, and state agencies in understanding the state's water quality standards.
 - Convene an advisory group to examine potential regulation changes regarding if and when wastewater discharges can be compatible with stream sections that support salmon spawning.
- 2) ASSESS AND MONITOR SELECTED WATERS TO SUPPORT DECISIONS WHERE PREVENTION OR RESTORATION IS NEEDED TO PRESERVE OR ENHANCE THE HEALTH AND USES OF WATER BODIES.
 - Identify, collect, and provide access to water data sources and information that enhance the assessment, mapping and reporting of environmental status to meet a variety of federal, state and local requirements and communicate the health of Alaska's air and water quality.
 - Consolidate water quality monitoring data, develop and maintain a database.
 - Validate data through quality assurance reviews.
 - Oversee water quality monitoring or restoration projects performed by others to assure project success.
 - Continue to develop a long term operation, maintenance, and funding strategy for the Cook Inlet Information & Monitoring System and expansion to a statewide application.
 - Begin development of a long term monitoring strategy.
 - Assess all available information about the health of Alaska's waterbodies to support a need for the Alaska Clean Water Action Plan to identify waters that are becoming degraded and waters that are polluted.
- 3) ESTABLISH COMMON PRIORITIES AND COORDINATE THE EFFORTS OF ALL GOVERNMENT, COMMUNITY AND NON-GOVERNMENT STAKEHOLDERS INVOLVED IN PREVENTION OR RESTORATION PROJECTS TO ENHANCE AQUATIC HABITAT AND ECONOMIC USES OF ALASKA WATERS.
 - Reduce pollutants to waters and other sources through implementation of non-point source pollution strategies and participation in coastal activities.
 - Implement the major redesign of oversight and permitting of wastewater discharges where risk based analyses drive the level of oversight work.
 - Assist local watershed activities and promote watershed protection by providing planning, leadership, public outreach, and education.
 - Administer the grant funds for non-point source pollution control.
 - Implement the recommendations of an advisory workgroup through the State Board of Forestry to deal with science and technical issues relating to log transfer facilities.
 - Continue working with cruiseship wastewater working group to gather facts and resolve issues relating to wastewater discharges.

Key Component Issues for FY2001 – 2002

A working group of stakeholders has developed and recommended options to rebuild a comprehensive and efficient state water discharge permit program. These options involve resolution of a variety of issues concerning risk based permitting mechanisms, field and enforcement strategies, permit fees and related questions. The division will begin implementing those recommendations in FY2001 with full implementation expected in FY2002.

The State receives federal funds from numerous sources for water quality protection or recovery. Various federal agencies and local governments are also working in Alaska to preserve and enhance water quality. It is essential to develop a unified approach to prioritizing and collaborating on water quality projects. The department has taken the lead in developing the Alaska Clean Water Action Plan, which will provide a process to identify and prioritize the highest needs in the state for protecting water quality. The plan will set common principles for decision making at the state level. Federal agencies, local government and other entities are expected to use this roadmap for prioritizing needs and projects.

Major Component Accomplishments for FY2000

Developed draft updates to water quality regulations to consolidate critical water quality standards information into a single source. This consolidation will eliminate confusing cross-references of complex water quality standards tables. It will put all necessary information in an easy-to-read tabular format. Members of the public and agency employees have been requesting a simplified water quality standard.

Convened a stakeholders' work group to develop and recommend options to rebuild a comprehensive and efficient state water discharge permit program and set up a plan to implement these options in FY2001 and FY2002.

Sponsored an EPA Water Quality Standards Academy basic training course for department staff and statewide stakeholders. This training provided an opportunity for staff and stakeholders to become educated about the Alaska Clean Water Act and EPA's water quality standards program.

Convened a work group consisting of industry, government agencies and public members to gather information and resolve issues relating to cruise ship wastewater discharges. Workgroup accomplishments to date include a first of its kind wastewater discharge monitoring program during the summer of 2000. The program achieved national attention and is paving the way to a better understanding of the environmental and public health impacts of wastewater discharges from cruise ships traveling in Alaska. The work group recommended additional monitoring, identification of sensitive area "no discharge zones" in cruise ship transportation corridors, and further scientific analysis of sampling results. The workgroup will continue to gather facts and investigate the issues associated with wastewater discharges.

Prepared the annual statewide water quality assessment and provided electronic update to the federal assessment database.

Statutory and Regulatory Authority

AS 46.03; AS 46.04; AS 44.19; AS 46.40; AS 44.62; 8 AAC 80; 18 AAC 15; 18 AAC 70; 18 AAC 72; 6 AAC 50; 11 AAC 95; 5 AAC 93; Federal Coastal Zone Management Act Reauthorization of 1990; Federal Clean Water Act

Water Quality

Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	2,396.7	2,968.6	2,856.1
72000 Travel	160.5	472.6	463.1
73000 Contractual	476.0	1,335.8	1,228.1
74000 Supplies	81.8	82.5	82.5
75000 Equipment	121.3	56.5	56.5
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	3,236.3	4,916.0	4,686.3
Funding Sources:			
1002 Federal Receipts	1,549.1	2,188.4	2,182.9
1003 General Fund Match	384.0	385.6	390.7
1004 General Fund Receipts	969.6	1,272.5	1,447.3
1005 General Fund/Program Receipts	46.7	179.3	420.4
1007 Inter-Agency Receipts	248.1	337.0	245.0
1053 Investment Loss Trust Fund	0.0	15.5	0.0
1108 Statutory Designated Program Receipts	38.8	537.7	0.0
Funding Totals	3,236.3	4,916.0	4,686.3

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
<u>Unrestricted Revenues</u>						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
<u>Restricted Revenues</u>						
Federal Receipts	51010	1,549.1	2,188.4	2,188.4	2,182.9	2,182.9
Interagency Receipts	51015	248.1	337.0	337.0	245.0	245.0
General Fund Program Receipts	51060	46.7	179.3	179.3	420.4	420.4
Statutory Designated Program Receipts	51063	38.8	537.7	537.7	0.0	0.0
Restricted Total		1,882.7	3,242.4	3,242.4	2,848.3	2,848.3
Total Estimated Revenues		1,882.7	3,242.4	3,242.4	2,848.3	2,848.3

Water Quality**Proposed Changes in Levels of Service for FY2002**

No significant changes in the levels of service are anticipated.

Summary of Component Budget Changes**From FY2001 Authorized to FY2002 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	1,852.9	2,188.4	874.7	4,916.0
Adjustments which will continue current level of service:				
-Transfer Alaska Coastal Management Plan to Statewide Public Services	0.0	0.0	-91.5	-91.5
-Convert Special FY2001 Labor Cost Fund Sources to GF	1.3	0.0	-1.3	0.0
-Fund Source Change for HB361 Second Year Implementation	395.7	0.0	-395.7	0.0
-Year 2 Labor Costs - Net Change from FY2001	8.5	-5.5	-0.5	2.5
Proposed budget decreases:				
-HB361 Implementation - Second Year Reduction	0.0	0.0	-140.7	-140.7
FY2002 Governor	2,258.4	2,182.9	245.0	4,686.3

Water Quality

Personal Services Information

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	43	47	Annual Salaries	2,272,351
Part-time	3	2	COLA	31,258
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	734,506
			<i>Less 5.99% Vacancy Factor</i>	(182,015)
			Lump Sum Premium Pay	0
Totals	46	49	Total Personal Services	2,856,100

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	0	0	1	0	1
Administrative Clerk I	0	0	1	0	1
Administrative Clerk II	1	1	1	0	3
Administrative Clerk III	0	0	1	0	1
Administrative Manager II	1	0	0	0	1
Analyst/Programmer III	1	0	0	0	1
Analyst/Programmer IV	0	0	1	0	1
Env Eng Associate	1	0	1	0	2
Environ Conserv Mgr I	1	1	0	0	2
Environ Conserv Mgr II	0	0	2	0	2
Environ Conserv Mgr III	0	1	1	0	2
Environ Eng Asst I	0	1	0	0	1
Environ Engineer II	0	0	1	0	1
Environmental Spec I	0	1	0	0	1
Environmental Spec II	1	1	2	0	4
Environmental Spec III	2	1	7	2	12
Environmental Spec IV	3	3	3	0	9
Environmental Tech I	1	0	0	0	1
Grants Administrator II	0	0	1	0	1
Regulations Spec II	1	0	0	0	1
Research Analyst II	1	0	0	0	1
Totals	14	10	23	2	49

Component: Non-Point Source Pollution Control

Contact: Tom Chapple, Director

Tel: (907) 269-7634 **Fax:** (907) 269-3098 **E-mail:** TChapple@envircon.state.ak.us

Component Mission

Identify, abate, and control water pollution in a cost effective, accountable manner to protect public health and preserve the many uses of Alaska's waters.

Component Services Provided

Fund external projects to prevent or remedy water quality problems.

Component Goals and Strategies

FUND STEWARDSHIP, PREVENTION, AND RECOVERY PROJECTS TO ADDRESS WATER QUALITY PROBLEMS CAUSED PRIMARILY BY NON-POINT SOURCE ACTIVITIES BASED ON PRIORITIES AND NEEDS IDENTIFIED THROUGH THE ALASKA CLEAN WATER ACTION PLAN.

FUNDS PROVIDED IN THE STEWARDSHIP CATEGORY WILL:

- Educate Alaskans about what causes water pollution and what each person can do to help care for our streams and lakes.
- Gather information on levels of pollution streams and lakes and determine how well pollution controls are working.
- Develop and use best management practices for forestry activities, local land development ordinances, and stormwater run-off.

FUNDS PROVIDED IN THE PREVENTION CATEGORY WILL:

- Develop effective, realistic and affordable protection plans.
- Gather and share information to determine threats and solutions.
- Support community efforts to fix pollution problems before they can cause long-term effects.
- Focus education and outreach efforts that are most likely to protect high-value streams and lakes at risk and understand the information we have about pollution problems.

FUNDS PROVIDED IN THE RECOVERY CATEGORY WILL:

- Restore habitat and water quality in polluted water bodies.
- Develop and implement water shed management and recovery plans.

Key Component Issues for FY2001 – 2002

As a result of creating the Alaska Clean Water Action plan and using the plan's criteria to rank water quality needs, funds will be expended for projects using a more rigorous analysis of needs and benefits. The plan will be used as the basis in prioritizing and awarding funds for water protection and recovery projects in Alaska.

Major Component Accomplishments for FY2000

A total of twenty-two (22) projects totaling approximately \$1.7 million was awarded to grantees in FY00. In total, funding by category was: a) 7 Prevention Projects totaling \$331.3; b) 8 Restoration Projects totaling \$488.0; c) 7 Stewardship Projects totaling \$881.

Statutory and Regulatory Authority

AS 46.03; AS 46.04; AS 44.19; AS 46.40; AS 44.62; 8 AAC 80; 18 AAC 15; 18 AAC 70; 18 AAC 72; 6 AAC 50; 11 AAC 95; 5 AAC 93; Federal Coastal Zone Management Act Reauthorization of 1990; Federal Clean Water Act

Non-Point Source Pollution Control

Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Contractual	838.0	0.0	0.0
74000 Supplies	0.0	0.0	0.0
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	877.4	1,715.4	1,715.4
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,715.4	1,715.4	1,715.4
Funding Sources:			
1002 Federal Receipts	1,715.4	1,715.4	1,715.4
Funding Totals	1,715.4	1,715.4	1,715.4

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Federal Receipts	51010	1,715.4	1,715.4	1,715.4	1,715.4	1,715.4
Restricted Total		1,715.4	1,715.4	1,715.4	1,715.4	1,715.4
Total Estimated Revenues		1,715.4	1,715.4	1,715.4	1,715.4	1,715.4

Non-Point Source Pollution Control**Proposed Changes in Levels of Service for FY2002**

No significant changes in levels of services are anticipated.

Summary of Component Budget Changes**From FY2001 Authorized to FY2002 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	0.0	1,715.4	0.0	1,715.4
FY2002 Governor	0.0	1,715.4	0.0	1,715.4

Spill Prevention and Response Budget Request Unit

Contact: Larry Dietrick, Director

Tel: (907) 465-5250 **Fax:** (907) 465-5262 **E-mail:** Larry_Dietrick@envircon.state.ak.us

BRU Mission

Reduce unlawful oil and hazardous substance contamination in the environment.

BRU Services Provided

- Ensure oil handlers prevent spills from their tanks, tankers, barges, and pipelines.
- Ensure that government and industry are prepared to respond to spills with adequate funding, personnel, equipment and technical resources.
- Ensure that all spills are cleaned up as quickly as possible to minimize damage to human health and the environment.
- Return contaminated properties to safe and appropriate reuse.
- Track and recover state response and cleanup costs from responsible parties and seek compensation for damages to the state's natural resources.

BRU Goals and Strategies

- 1) **PREVENT OIL AND HAZARDOUS WASTE SPILLS**
 - Implement prevention plans with industry to reduce the occurrence of costly spills.
 - In cooperation with industry and special interest stakeholders, sponsor a best available spill technology conference to review technologies currently available worldwide.
 - Publish quarterly and annual spill and hazardous substance release summary reports.
 - Implement measures to prevent spills from home heating fuel tanks.
 - Ensure that effective leak detection and spill prevention measures are employed.
- 2) **BE PREPARED TO RESPOND TO OIL AND HAZARDOUS SUBSTANCE SPILLS**
 - Verify that facility and vessel operators have adequate resources to respond to oil spills.
 - Conduct spill response exercises and drills and inspect response equipment inventories.
 - Certify that operators are financially responsible.
 - Build on existing community spill response agreements and complete the placement of response equipment packages in high-risk communities.
 - Include non-tank vessels and the Alaska Railroad in the state's oil and hazardous substance spill contingency plans and financial responsibility requirements to ensure that operators are prepared and capable of mounting a prompt and effective spill response.
- 3) **RESPOND TO OIL AND HAZARDOUS SUBSTANCE SPILLS**
 - Ensure prompt and effective response to spills and protection of human health and the environment.
 - Identify and notify responsible parties of the need to take action.
 - Apply consistent and measurable cleanup standards.
 - Contract private specialists to assess and clean up spills when a responsible party cannot be identified.
- 4) **CLEAN UP OIL AND HAZARDOUS SUBSTANCE SPILLS**
 - Augment or take over cleanup if the responsible party is unable to complete a timely and adequate cleanup without assistance.
 - Ensure the cleanup of high-priority contaminated sites.
 - Expand the Voluntary Cleanup Program to increase the rate of cleanup of lower priority sites.
 - Continue efforts to clean up state-owned facilities.

Key BRU Issues for FY2001 – 2002

The department is responsible for managing the Response Fund to address state spill prevention and response priorities. There has been a significant decline in revenue due to decreasing flow through the Trans-Alaska Pipeline System. In order to sustain the state's long-term spill prevention, preparedness, response and cleanup ability it will be necessary to ensure that annual funding requests from the prevention account are consistent with the revenue generated by the surcharge.

The division must also implement new regulations requiring contingency plans and proof of financial responsibility for all self-propelled vessels exceeding 400 gross registered tonnage and railroad tank cars.

Major BRU Accomplishments for FY2000

PREVENTION

Jointly developed and instituted winter vessel-operating restrictions with the U.S. Coast Guard to prevent tanker spills in Cook Inlet.

Developed corrective action plans with industry to address deficiencies identified in inspections, audits and drills.

Brought 99% of state-owned underground storage tanks into compliance with spill prevention requirements.

Worked with industry to improve response capability resulting in the acquisition and dedication of an additional three new prevention and response tugs for service in Prince William Sound consistent with the state's best available technology requirements.

PREPAREDNESS

Enhanced statewide hazardous materials response capability and readiness through training and demonstration exercises in Kodiak and Unalaska in close coordination with local officials.

Participated in 48 spill drills and exercises including major equipment deployment drills in Prince William Sound, the Beaufort Sea, and Cook Inlet in cooperation with industry, state and federal agencies.

RESPONSE

Received 2,311 spill reports and conducted 799 field response activities, including site visits and other follow-up actions.

CLEANUP

Ensured the prompt and effective cleanup and restoration of the environment from the effects of over 65 significant spills.

Completed 49 contaminated site cleanups, 11 of which were under the voluntary cleanup program.

Issued 112 "no further action" letters for underground storage tank cleanups.

Spill Prevention and Response
BRU Financial Summary by Component

All dollars in thousands

	FY2000 Actuals				FY2001 Authorized				FY2002 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Formula Expenditures None.												
Non-Formula Expenditures												
Spill Prev. & Resp. Director	0.0	0.0	180.8	180.8	0.0	0.0	196.8	196.8	0.0	0.0	197.9	197.9
Contaminated Sites Program	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3,122.2	4,082.7	7,204.9
Industry Prep. & Pipeline Op.	0.0	0.0	2,243.6	2,243.6	0.0	8.5	2,647.7	2,656.2	0.0	8.5	3,114.6	3,123.1
Prevention and Emerg. Response	0.0	0.0	3,000.4	3,000.4	0.0	0.0	3,166.9	3,166.9	0.0	0.0	3,135.4	3,135.4
Response Fund Administration	0.0	0.0	1,577.1	1,577.1	0.0	0.0	1,617.2	1,617.2	0.0	32.0	1,752.4	1,784.4
Local Emergency Planning Comm	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	310.9	310.9
Totals	0.0	0.0	7,001.9	7,001.9	0.0	8.5	7,628.6	7,637.1	0.0	3,162.7	12,593.9	15,756.6

Spill Prevention and Response

Proposed Changes in Levels of Service for FY2002

Due to the BP/Phillips Merger Charter for Development of the Alaskan North Slope, additional effort will be required to coordinate the assessment and cleanup of "orphaned" contaminated sites and the spill prevention and response portion of the Environmental Commitment associated with oil field development with British Petroleum, Phillips Alaska, Inc., and the various state (Natural Resources, Transportation and Public Facilities, Fish and Game) and federal (Bureau of Land Management, Corps of Engineers, Fish and Wildlife Service) agencies that may have a regulatory responsibilities associated with this matter. Costs will be reimbursed by British Petroleum based on the agreement in the Charter for Development of the Alaskan North Slope.

Commencing in FY 2001, contingency plans and proof of financial responsibility are required of all self-propelled nontank vessels exceeding 400 gross registered tonnage and for railroad tank cars. Over 1,000 additional vessels and tank cars have applied under this requirement. An increment is being requested to fund a permanent position to process and review financial responsibility documentation, maintain the associated database, and issue certificates of financial responsibility for newly regulated vessels and tank cars.

Spill Prevention and Response

Summary of BRU Budget Changes by Component

From FY2001 Authorized to FY2002 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	0.0	8.5	7,628.6	7,637.1
Adjustments which will continue current level of service:				
-Spill Prev. & Resp. Director	0.0	0.0	1.1	1.1
-Contaminated Sites Program	0.0	6.0	8.3	14.3
-Industry Prep. & Pipeline Op.	0.0	0.0	89.9	89.9
-Prevention and Emerg. Response	0.0	0.0	-31.5	-31.5
-Response Fund Administration	0.0	32.0	135.2	167.2
Proposed budget decreases:				
-Industry Prep. & Pipeline Op.	0.0	0.0	-200.5	-200.5
-Local Emergency Planning Comm	0.0	0.0	-90.8	-90.8
Proposed budget increases:				
-Contaminated Sites Program	0.0	0.0	109.4	109.4
-Industry Prep. & Pipeline Op.	0.0	0.0	577.5	577.5
FY2002 Governor	0.0	3,162.7	12,593.9	15,756.6

Component: Spill Prevention and Response Director

Contact: Larry Dietrick, Director

Tel: (907) 465-5250 **Fax:** (907) 465-5262 **E-mail:** larry_dietrick@envircon.state.ak.us

Component Mission

Ensure that the resources and priorities of the division are directed toward the effective fulfillment of its mission to ensure safe production, storage and transportation of oil and hazardous substances and prevent, prepare for, respond to and clean up their unauthorized discharge to protect public health and the environment.

Component Services Provided

- Set goals and priorities for the division to ensure fulfillment of component missions and coordinate with all external stakeholders as the division's spokesperson and representative.
- Represent the state on the Alaska Regional Response Team, State Emergency Response Commission, Western States/British Columbia Oil Spill Task Force, Oil Spill Recovery Institute, and other interagency and public entities.
- Manage and administer the Oil and Hazardous Substance Release Prevention and Response Fund, authorizing access to Response Account funds for emergency response activities and developing plans and long-term strategies for use of the Prevention Account.

Component Goals and Strategies

- 1) ENSURE CONSISTENT AND COST EFFECTIVE IMPLEMENTATION OF THE DIVISION'S PROGRAMS.
 - Present the annual budget to the legislative finance committees and approve annual program spending plans.
 - Approve statewide program policies and procedures.
- 2) DIRECT THE DIVISION'S RESOURCES TO INVESTIGATE, CONTROL, CONTAIN AND CLEAN UP OIL OR HAZARDOUS SUBSTANCE SPILLS.
 - Notify the Governor and Legislative Budget and Audit Committee of all expenditures from the oil and hazardous substance release prevention and response fund response account.
 - Identify areas of the state at greatest risk of oil or hazardous substance spills that threaten public health or the environment.
 - Direct division resources to spills that have the greatest risk to public health or the environment.
- 3) IMPLEMENT LEGISLATION TO IMPROVE THE RESPONSE CAPABILITY OF NON-TANKS VESSELS AND RAILROAD OPERATIONS
 - Develop strategies to bring non-tank vessels and railroads into compliance with the state's financial responsibility requirements and ensure the development of effective spill response plans for these operations.

Key Component Issues for FY2001 – 2002

As Response Fund Administrator, the director is responsible for managing the fund to address state spill prevention and response priorities. There has been a significant decline in the three-cent-per-barrel surcharge due to decreasing flow through the Trans-Alaska Pipeline System. In order to sustain the state's long-term spill prevention, preparedness, response and cleanup ability it will be necessary to ensure that annual funding requests from the Prevention Account are consistent with the revenue generated by the surcharge.

Major Component Accomplishments for FY2000

- Worked to gain statutory authority for financial responsibility requirements and contingency planning for non-tank vessels of 400 gross tonnage and greater and railroad operations, thus ensuring that there is an equivalent level

of response planning and capability for the risk posed by spills from these sources as there is for other regulated operations.

- Began working with those State agencies with Reimbursable Services Agreements funded from the Prevention Account to better focus future activities on core spill prevention and response needs.

Statutory and Regulatory Authority

AS 46.03.360 - 450, AS 46.04, AS 46.08, AS 46.09, AS 46.13, 18 AAC 75, 18 AAC 78.

Spill Prevention and Response Director**Component Financial Summary***All dollars in thousands*

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	131.9	147.8	148.9
72000 Travel	16.1	18.8	18.8
73000 Contractual	30.3	28.7	28.7
74000 Supplies	2.5	1.5	1.5
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	180.8	196.8	197.9
Funding Sources:			
1052 Oil/Hazardous Response Fund	180.8	196.8	197.9
Funding Totals	180.8	196.8	197.9

Spill Prevention and Response Director**Proposed Changes in Levels of Service for FY2002**

No significant changes in services are anticipated.

Summary of Component Budget Changes**From FY2001 Authorized to FY2002 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	0.0	0.0	196.8	196.8
Adjustments which will continue current level of service:				
-Year 2 Labor Costs - Net Change from FY2001	0.0	0.0	1.1	1.1
FY2002 Governor	0.0	0.0	197.9	197.9

Spill Prevention and Response Director**Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	2	2	Annual Salaries	113,287
Part-time	0	0	COLA	2,211
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	35,429
			<i>Less 1.34% Vacancy Factor</i>	(2,027)
			Lump Sum Premium Pay	0
Totals	2	2	Total Personal Services	148,900

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Division Director	0	0	1	0	1
Secretary	0	0	1	0	1
Totals	0	0	2	0	2

Component: Contaminated Sites Program

Contact: Jim Hayden, Acting Program Manager

Tel: (907) 465-5203 **Fax:** (907) 465-5218 **E-mail:** jim_hayden@envircon.state.ak.us

Component Mission

Ensure the clean up of chronic or historical releases of oil or hazardous substances to protect human health and the environment and prevent releases from underground storage tanks and unregulated above ground storage tanks.

Component Services Provided

- Reduce human exposure to hazardous substances in the environment.
- Reduce damage to property and natural resources.
- Reduce the number and size of spills from underground storage tanks and rural bulk fuel facilities.
- Return contaminated properties to safe economic reuse/development, subsistence, and recreational use.
- Ensure clean up of Formerly Used Defense and other Department of Defense sites are protective of human health and the environment.

Component Goals and Strategies

- 1) PREVENT OIL AND HAZARDOUS SUBSTANCE SPILLS.
 - Implement a prevention plan which includes risk reduction measures, technical assistance, legal action, and/or public outreach/educational approaches.
 - Educate commercial fuel tanks owners and operators in proper spill prevention and response methods and technologies.
 - Provide technical assistance to tanks owners and operators to ensure compliance with federal regulations.
- 2) ASSESS AND CLEAN UP THE HIGHEST RISK SITES.
 - Ensure cleanup of contaminated sites by responsible parties.
 - Apply consistent and measurable cleanup standards.
 - Contract private specialists to assess and clean up state-owned and "orphan" sites.
 - Implement an expanded Voluntary Cleanup Program, which includes regulated underground storage tanks, to increase rate of cleanup of lower priority sites with reduced government oversight.

Key Component Issues for FY2001 – 2002

Continue the three-year privatized inspection/tagging program for Underground Storage Tanks begun in FY 2001. Roughly one-third of the regulated tanks are inspected and compliance tagged each year. Four hundred and twenty-five tanks were inspected in FY 2001, 400 are scheduled for inspection in FY 2002, and the remaining 350 tanks will be completed in FY 2003. This recurrent 3-year program is an important step in maintaining the spill prevention equipment at the regulated facilities.

A systematic process of remediation has begun at rural bulk fuel storage facilities. DEC has partnered with the Alaska Energy Authority (AEA) in a 5-year project to assess and remediate storage facilities upgraded as part of AEA's and the Denali Commission's infrastructure improvements throughout rural Alaska. Contracts are in place to assess and remediate bulk fuel facilities as they are decommissioned. Work was started in 10 villages in FY 2001 and calls for work in 15-20 additional villages in FY 2002.

Research has begun for adding a "Brownfields" approach to the program to help reduce risk at contaminated sites and to make them available for redevelopment. Other states have initiated similar programs and have laws and policies in place which define Brownfields as well as eligibility for financial assistance and other incentives for property redevelopment.

Major Component Accomplishments for FY2000

Characterized or continued clean up and monitoring of 8 "orphans sites" where the responsible or liable parties are unwilling or unable to undertake cleanup action.

Initiated and continued 13 area groundwater assessments in populated areas to determine the source of contamination and to ensure safe drinking water is provided.

Expanded the Voluntary Cleanup Program to include sites with regulated underground storage tanks, and groundwater and metals contamination to expedite clean up of low/medium risk sites. 14 sites completed Voluntary Cleanup Program clean up during FY 2000.

Completed 49 contaminated site clean ups (11 under the Voluntary Cleanup Program) and issued 112 "no further action" letters for underground storage tanks.

Continued assessment and cleanup at 14 state-owned sites.

Brought 99% of state-owned underground storage tanks into compliance with spill prevention requirements.

Certified that 95% of underground fuel storage tank facilities have adequate proof of Financial Responsibility.

Underground storage tank inspection and tag program privatized through certified underground storage tank inspections; as a result, only tanks tagged and in compliance with regulations may receive fuel.

Provided bulk fuel storage tank training to 65 villages in rural Alaska.

A major effort is underway to assess and remediate bulk fuel storage facilities in rural Alaska. The department is partnering with the Alaska Energy Authority (AEA) to remediate sites that receive new bulk fuel storage tank systems as a follow-on to fuel storage facility infrastructure improvements sponsored by AEA and the Denali Commission. This is a 5-year project targeting from 15-20 villages per year and is the first systematic remediation project of its kind in rural Alaska.

Statutory and Regulatory Authority

AS 46.03, AS 46.04, AS 46.08, AS 46.09, AS 46.03.360-450, 18 AAC 75, 18 AAC 79

Key Performance Measures for FY2002

Measure: Number of contaminated sites that have been cleaned up

(Not yet addressed by Legislature.)

Current Status:

49 contaminated site cleanups were completed in FY 2000.

Benchmark:

Increase the number of contaminated sites cleaned up.

Background and Strategies:

Annual site completion rates have more than doubled over the last ten years. The Division has taken a number of steps, which will result in further acceleration of the rate of cleanup completions. In 1999 the Division promulgated new cleanup regulations which allow contaminated site cleanups to be proportional to the risks posed to human health and the environment and the intended land use. The use of "institutional controls" tools has been expanded to facilitate risk-based cleanups which can reduce the time and costs associated with cleanups. The Division has also

expanded the Voluntary Cleanup Program (VCP) for low and medium priority sites to enable many sites, including underground storage tank sites, to be cleaned up under a streamlined process with minimal oversight by Department staff. During new site identification, responsible parties for VCP candidate sites are invited to take advantage of this streamlined cleanup process. The Division made an earlier decision to focus some staff resources on large facilities that have multiple high priority sites, such as the former U.S. Navy facility on Adak Island. This approach allowed simultaneous assessment and clean up of multiple sites in an area. The results of this approach will be realized during FY 01 and following years as multiple final cleanup efforts are completed and documented.

Measure: The time it takes the division from receiving a report of a spill to the determination of "no further action".

(Added by Legislature in FY2001 version.)

Current Status:

The department is currently evaluating how to determine the "start date" for a contaminated site since many historical sites were discovered long after the spill occurred.

Benchmark:

Decrease in the time it takes to receive "no further action" determination.

Background and Strategies:

DEC's preference is to take a collaborative approach with responsible persons to facilitate cleanup of contaminated properties. A collaborative approach involves working within the responsible person's level of resources, if there is not an acute risk to human health and the environment such as chemicals going into a stream or drinking water source. This may result in work being undertaken in a phased approach and use of cleanup technologies, such as bioremediation, which are less expensive, but take a longer time to achieve cleanup levels.

In order to speed the cleanup process up at a number of sites, DEC would have to rely on its enforcement authorities and potentially the Response Account, to facilitate quicker action. Faster action may also require more comprehensive sampling on a one time basis to reduce uncertainty (rather than an iterative approach, where additional information needs are dependent upon initial sampling results) and the use of more expensive cleanup techniques that yield immediate results, such as incineration.

Rather than take an aggressive enforcement approach when the risk does not warrant it, DEC is focusing its efforts on creating a regulatory climate that assists responsible persons in speeding up the cleanup process. The Division promulgated cleanup regulations in 1999 which are reducing transaction costs for the development of cleanup plans and has implemented an expanded Voluntary Cleanup Program to speed up the cleanup of low to medium priority sites. DEC is also increasing its emphasis on working with parties to take quick action to mitigate risk, and employ risk based cleanup standards, accompanied by institutional controls to facilitate cleanups proportional to risk and appropriate for the intended land use. Risks based approaches decrease the need for long term cleanups and facilitate redevelopment of contaminated property. A pre-remedial unit has also been developed to provide for better record keeping, and more efficient follow-up to shorten the time from the reporting of a spill to action leading to the final closeout of a spill.

Measure: The average environmental hazard per contaminated site.

(Added by Legislature in FY2001 version.)

Current Status:

At the end of FY 2000, there were 756 "high", 602 "medium", 466 "low" and 219 "unranked" contaminated sites.

Benchmark:

The number of contaminated sites in the "high", "medium", "low", and "unranked" relative risk categories at the end of the year.

Background and Strategies:

The administration is working to characterize and rank all known contaminated sites in the State and reduce the number of sites in all categories, beginning with the highest-ranked sites. The goal is the assessment and cleanup of the highest risk sites in Alaska by ensuring the cleanup of contaminated sites by responsible parties; applying

consistent and measurable cleanup standards; contracting private specialists to assess and clean up state-owned and "orphan" sites; and implementing an expanded Voluntary CleanUp Program, which includes regulated underground storage tanks, to increase the rate of cleanup of lower priority sites with reduced government oversight.

Measure: The number of underground storage tank owners issued "no further action" letters during the year.
(Added by Legislature in FY2001 version.)

Current Status:

124 "no further action" letters were issued to underground storage tank owners in FY 2000.

Benchmark:

Increase in the number of underground storage tank "no further action" letters.

Background and Strategies:

Through Legislation and rule making, the state adopted the federal regulatory program for Underground Storage Tanks and added financial assistance and tank worker/inspector elements. The goals are to clean up existing petroleum spills and prevent new spills from happening. Approximately 44 percent of over 2100 UST petroleum spills have been cleaned up and made available for economic reuse. The program has increased its annual rate of "No Further Actions" from 80 to over 100 by ensuring that each site is assigned to a designated staff person and then working the sites in order of highest hazard ranking. Sites of low rank can be expedited by processing through the Voluntary CleanUp Program.

Status of FY2001 Performance Measures

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
• Number of contaminated sites that have been cleaned up		X			
• The time it takes the division from receiving a report of a spill to the determination of "no further action".		X			
• The average environmental hazard per contaminated site.		X			
• The number of underground storage tank owners issued "no further action" letters during the year.		X			

Contaminated Sites Program

Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	3,800.0	4,113.5	4,186.5
72000 Travel	226.3	524.1	524.1
73000 Contractual	1,831.5	2,222.0	2,272.7
74000 Supplies	69.2	111.6	111.6
75000 Equipment	102.1	110.0	110.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	6,029.1	7,081.2	7,204.9
Funding Sources:			
1002 Federal Receipts	2,259.4	3,116.2	3,122.2
1007 Inter-Agency Receipts	66.7	0.0	189.4
1052 Oil/Hazardous Response Fund	2,636.6	2,956.1	3,071.1
1061 Capital Improvement Project Receipts	183.8	188.5	0.0
1079 Storage Tank Assistance Fund	882.6	820.4	822.2
Funding Totals	6,029.1	7,081.2	7,204.9

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
Unrestricted Revenues						
Unrestricted Fund	68515	61.2	0.0	45.0	42.0	42.0
Unrestricted Total		61.2	0.0	45.0	42.0	42.0
Restricted Revenues						
Federal Receipts	51010	2,259.4	3,116.2	3,116.2	3,122.2	3,122.2
Interagency Receipts	51015	66.7	0.0	0.0	189.4	189.4
Capital Improvement Project Receipts	51200	183.8	188.5	188.5	0.0	0.0
Restricted Total		2,509.9	3,304.7	3,304.7	3,311.6	3,311.6
Total Estimated Revenues		2,571.1	3,304.7	3,349.7	3,353.6	3,353.6

Contaminated Sites Program

Proposed Changes in Levels of Service for FY2002

Under the Charter for Development, BP and Phillips are obligated to spend \$10 million to clean up "orphan" contaminated sites and to clean up all of their own sites, regardless of cost. DEC will provide coordination and oversight for the assessment and cleanup of contaminated sites associated with oil field development with British Petroleum, Phillips Alaska, Inc., and the various state landowners. One PFT position will be added to: identify and prioritize candidate sites; establish overall work plans and schedules; review and approve site-specific work plans and clean up levels; review site cleanup reports and determine if appropriate cleanup levels were achieved; maintain and operate a database to track accomplishments; and monitor BP/Phillips progress towards meeting the Charter commitments. Costs will be reimbursed by British Petroleum based on the agreement in the Charter for Development of the Alaskan North Slope.

Summary of Component Budget Changes

From FY2001 Authorized to FY2002 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	0.0	3,116.2	3,965.0	7,081.2
Adjustments which will continue current level of service:				
-Year 2 Labor Costs - Net Change from FY2001	0.0	6.0	8.3	14.3
Proposed budget increases:				
-Funding for new activities associated with BP Merger	0.0	0.0	109.4	109.4
FY2002 Governor	0.0	3,122.2	4,082.7	7,204.9

Contaminated Sites Program**Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	65	67	Annual Salaries	3,342,393
Part-time	1	1	COLA	50,415
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	1,105,494
			<i>Less 6.93% Vacancy Factor</i>	(311,802)
			Lump Sum Premium Pay	0
Totals	66	68	Total Personal Services	4,186,500

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk II	2	1	1	1	5
Administrative Clerk III	2	0	1	1	4
Analyst/Programmer IV	0	0	1	0	1
Env Eng Associate	0	1	0	1	2
Environ Conserv Mgr I	3	1	0	0	4
Environ Conserv Mgr II	0	0	1	0	1
Environ Conserv Mgr III	0	0	1	0	1
Environ Engineer I	0	1	0	1	2
Environmental Spec II	3	1	1	0	5
Environmental Spec III	14	7	9	2	32
Environmental Spec IV	5	2	1	0	8
Grants Administrator II	1	0	0	0	1
Prog Coordinator	0	0	1	0	1
Project Coord	0	0	1	0	1
Totals	30	14	18	6	68

Component: Industry Preparedness and Pipeline Operations

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Component Mission

Provide oversight and assistance to producers, transporters and distributors of crude oil and refined oil products to reduce the likelihood of oil spills and ensure that a sufficient response capability is present.

Component Services Provided

- Ensure that oil handlers prevent spills.
- Register primary oil spill response action contractors identified in contingency plans as providing resources to respond to a spill.

Component Goals and Strategies

- 1) ENSURE FACILITY AND VESSEL OPERATORS ARE OPERATING WITH REQUIRED SPILL PREVENTION TECHNOLOGIES.
 - Approve oil discharge prevention and contingency plans, which implement best available technology requirements for spill prevention.
 - Inspect and audit marine vessels, facilities and pipelines for compliance with best available technology for spill prevention.
- 2) VERIFY THAT FACILITY AND VESSEL OPERATORS HAVE ADEQUATE RESOURCES TO RESPOND TO OIL SPILLS.
 - Approve oil discharge prevention and contingency plans.
 - Inspect response equipment inventories and conduct spill response exercises and drills for compliance.
 - Certify that 100% of the operators have approved financial capability to respond to spills.
 - Register primary oil spill response action contractors identified in contingency plans as providing resources to respond to a spill.

Key Component Issues for FY2001 – 2002

In May 2000 BP and Phillips entered into a compliance order with DEC, which required a series of offshore oil spill response drills to be conducted to "ground-truth" current contingency planning assumptions and make significant improvements to North Slope offshore response capability. Until this compliance issue is resolved, BP and Phillips are prohibited from drilling at their Northstar, Endicott, Pt. McIntyre, and Niakuk fields during broken ice and open water conditions. The department, in collaboration with the North Slope Borough, Alaska Department of Natural Resources, US Minerals Management Service and the United States Coast Guard, is working to identify specific shortfalls in the response capability and corrective actions. Continued drills and testing are also planned.

The department is actively engaged in the Task Force on Motorized Transport, a group established by the Alaska Legislature to establish contingency planning requirements for non-tank vessels and the railroad. The task force report is due to the legislature by December 2000. It is expected that legislative approval will be sought for the task force recommendations during the 2001 legislative session and that contingency planning requirements will commence in the 2002-2003 timeframe.

Major Component Accomplishments for FY2000

Approved 78 new, renewal or amended Contingency Plans, including the Valdez Marine Terminal and Prince William Sound Tanker Plans which required extensive agency and public review.

Completed 133 inspections on marine vessels, facilities and pipelines. Audited tank inspection, maintenance and repair records at 25% of all facilities.

Participated in 48 drills and spill response exercises. Twelve agency-initiated drills were conducted, including major equipment deployment drills in Prince William Sound, the Beaufort Sea, and Cook Inlet.

Developed corrective action plans with industry to address deficiencies identified in inspections, audits and drills.

Statutory authority approved for non-tank vessels (400 gross tonnage and greater) and the railroad Financial Responsibility requirements.

Jointly developed and instituted Winter Vessel Operating Restrictions with the United States Coast Guard to prevent tanker spills in Cook Inlet and completed 22 Central Cook Inlet Geographic Response Plans for specific environmentally sensitive areas to improve Cook Inlet response.

Conducted Prince William Sound seatrials to enhance the Prince William Sound Escort System capability and resolve the long-standing issue of best available control technology.

Completed extensive field work and conducted preparedness drills on the North Slope consisting of industry, state, federal and local representatives towards resolving contingency plan response planning issues for open water and broken ice conditions in the Beaufort Sea.

Statutory and Regulatory Authority

AS 46.04.030, AS 46.04.040, AS 46.04.035.

Industry Preparedness and Pipeline Operations

Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,761.5	2,001.0	2,153.4
72000 Travel	137.0	210.8	209.2
73000 Contractual	263.7	404.1	711.6
74000 Supplies	29.3	32.5	34.1
75000 Equipment	52.1	7.8	14.8
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	2,243.6	2,656.2	3,123.1
Funding Sources:			
1002 Federal Receipts	0.0	8.5	8.5
1007 Inter-Agency Receipts	77.0	146.7	231.0
1052 Oil/Hazardous Response Fund	2,166.6	2,501.0	2,883.6
Funding Totals	2,243.6	2,656.2	3,123.1

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
Unrestricted Revenues						
Unrestricted Fund	68515	159.0	101.1	101.1	101.1	101.1
Unrestricted Total		159.0	101.1	101.1	101.1	101.1
Restricted Revenues						
Federal Receipts	51010	0.0	8.5	8.5	8.5	8.5
Interagency Receipts	51015	77.0	146.7	146.7	231.0	231.0
Restricted Total		77.0	155.2	155.2	239.5	239.5
Total Estimated Revenues		236.0	256.3	256.3	340.6	340.6

Industry Preparedness and Pipeline Operations

Proposed Changes in Levels of Service for FY2002

Industry Pipeline and Preparedness Program will add one PFT for oversight of North Slope spill response research and development, pipeline corrosion issues, and marine commitments. This position will also be responsible for preparing and coordinating contracts to secure expert services on these matters. Costs will be reimbursed by British Petroleum based on the agreement in the Charter for Development of the Alaskan North Slope. The IPP Component funding is identified under Section II.A.7. of the Charter.

Commencing in FY 2001, contingency plans and proof of financial responsibility are required of all self-propelled nontank vessels exceeding 400 gross registered tonnage and for railroad tank cars. Over 1,000 additional vessels and tank cars have applied under this requirement. An increment is being requested to fund a permanent position to process and review financial responsibility documentation, maintain the associated database, and issue certificates of financial responsibility for newly regulated vessels and tank cars.

Summary of Component Budget Changes

From FY2001 Authorized to FY2002 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	0.0	8.5	2,647.7	2,656.2
Adjustments which will continue current level of service:				
-Transfer Joint Pipeline Office Liaison from Air and Water Quality	0.0	0.0	82.2	82.2
-Year 2 Labor Costs - Net Change from FY2001	0.0	0.0	7.7	7.7
Proposed budget decreases:				
-Delete one year funding authorized in SB 273 fiscal note	0.0	0.0	-200.5	-200.5
Proposed budget increases:				
-Funding for increased financial responsibility activities for nontank vessels and RR cars	0.0	0.0	77.5	77.5
-Funding for new activities associated with BP Merger	0.0	0.0	500.0	500.0
FY2002 Governor	0.0	8.5	3,114.6	3,123.1

Industry Preparedness and Pipeline Operations

Personal Services Information

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	30	32	Annual Salaries	1,680,814
Part-time	0	0	COLA	23,808
Nonpermanent	1	0	Premium Pay	0
			Annual Benefits	543,827
			<i>Less 4.23% Vacancy Factor</i>	(95,049)
			Lump Sum Premium Pay	0
Totals	31	32	Total Personal Services	2,153,400

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk III	2	1	0	1	4
Environ Conserv Mgr III	1	0	0	0	1
Environ Eng Asst II	1	0	0	0	1
Environ Engineer II	1	0	0	0	1
Environmental Spec II	2	0	0	0	2
Environmental Spec III	9	2	3	3	17
Environmental Spec IV	4	1	0	1	6
Totals	20	4	3	5	32

Component: Prevention and Emergency Response

Contact: Brad Hahn, Acting Program Manager

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Component Mission

To prevent and mitigate oil and hazardous substance releases through government planning and rapid response.

Component Services Provided

- Protect people and resources from the effects of the more than 2,000 spills of oil and hazardous substances that occur in Alaska in every year.
- Ensure that all spills are cleaned up as quickly as possible to minimize the damage to public health and the environment.
- Maintain a statewide network of resources to allow the quickest and most effective response possible to all spills of oil and hazardous substances in Alaska.

Component Goals and Strategies

- 1) **MAINTAIN RESPONSE PREPAREDNESS.**
 - Continue to improve statewide spill response preparedness through the development of local response agreements with any willing Alaska communities.
 - Develop and maintain statewide and regional spill response plans.
 - Continue to position response equipment for use by locally-trained personnel under department direction.
 - Continue to develop, maintain and improve statewide hazardous materials response capability.
 - Conduct joint training and discharge exercises.
 - Maintain and improve statewide spill reporting, staff mobilization and logistical support functions to ensure prompt and effective state response.
- 2) **RESPOND TO ALL RELEASES OF OIL AND HAZARDOUS SUBSTANCES.**
 - Protect public health and the environment from the effects of spills.
 - Ensure the containment, control and cleanup of all significant spills.
 - Require the responsible party to take prompt and appropriate action to contain, control and clean up spills.
 - Identify spill response technologies suitable for Alaskan conditions.

Key Component Issues for FY2001 – 2002

A key factor in ensuring the continued ability of the State to respond to catastrophic spills is the availability of trained staff who can contribute their expertise to the response effort when needed. As the lead program for directing the State's spill response activities, the Prevention and Emergency Response Program is engaged in a process to identify, sign up and provide training to state staff outside the program, division, and department in order to develop and maintain a statewide response team. Members of this team will be called upon in an emergency to provide a variety of services depending on the nature of the incident, thus enhancing the ability of the State to respond in a quick and effective manner.

Major Component Accomplishments for FY2000

Received 2,311 spill reports and conducted 799 field response activities, site visits, or other follow-up actions.

Ensured prompt and effective cleanup of over 65 significant spills and ensured restoration of the environment.

Enhanced statewide spill response capability by working closely with the Municipality of Anchorage and Fairbanks North Star Borough to test the capabilities of their hazardous material teams to respond to incidents anywhere in the State through training and demonstration exercises in Kodiak and Unalaska.

Successfully negotiated community spill response agreements with eleven local governments to ensure coordinated response activities. Thirty-two communities now have such agreements with DEC.

Led the State's participation in the North Slope Mutual Aid and Valdez Marine Terminal exercises and participated in several smaller drills and training activities. Prepared post-exercise "lessons-learned" reports and a summary report for the year.

Completed a comprehensive interagency review and update of the Joint Federal-State Unified Plan for government spill response and published the North Slope and Aleutian Subarea Plans.

Statutory and Regulatory Authority

AS 46.04, AS 46.08, AS 46.09, AS 46.13, 18 AAC 75

Key Performance Measures for FY2002

Measure: The number of oil spills greater than one gallon per year compared to the number of spills requiring a response.

(Added by Legislature in FY2001 version.)

Current Status:

1,854 oil spills over one gallon were reported in FY 2000.

Benchmark:

The number and amount of oil spills per year and the number of spills requiring a department field response.

Background and Strategies:

Consistent with the Governor's goal of a 15% overall reduction of oil and hazardous substance spills, the department is working to prevent oil spills through the implementation of a prevention plan which includes risk reduction measures, technical assistance, legal action, and/or public outreach/educational approaches; educates commercial fuel tank owners and operators in proper spill prevention and response methods and technologies; and provides technical assistance to tank owners and operators to ensure compliance with federal regulations.

Measure: The number of hazardous substance spills and the number of hazardous substance spills requiring response.

(Added by Legislature in FY2001 version.)

Current Status:

402 hazardous substance releases occurred in FY 2000.

Benchmark:

Reduce the amount of oil spilled through targeted prevention efforts.

Background and Strategies:

Consistent with the Governor's goal of a 15% overall reduction of oil and hazardous substance spills, the department is working to prevent hazardous substance spills through prevention, technical assistance, and and/or public outreach/educational approaches. The Department is expanding and maintaining statewide hazardous spill response capability through joint training, drills, and equipment testing; and provides technical assistance to industry in safe handling and use of hazardous substances.

Measure: Amount of oil spilled (gallons)*(Not yet addressed by Legislature.)***Current Status:**

257,043 gallons of oil were spilled in FY 2000.

Benchmark:

Reduce the amount of oil spilled through targeted prevention efforts.

Background and Strategies:

Consistent with the Governor's goal of a 15% overall reduction of oil and hazardous substance spills, the department is working to prevent oil spills through the implementation of a prevention plan which includes risk reduction measures, technical assistance, legal action, and/or public outreach/educational approaches; educates commercial fuel tank owners and operators in proper spill prevention and response methods and technologies; and provides technical assistance to tank owners and operators to ensure compliance with federal regulations.

Status of FY2001 Performance Measures

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
<ul style="list-style-type: none"> The number of oil spills greater than one gallon per year compared to the number of spills requiring a response. The number of hazardous substance spills and the number of hazardous substance spills requiring response. Amount of oil spilled (gallons) 		X			
		X			
		X			

Prevention and Emergency Response

Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	2,091.3	2,299.3	2,267.8
72000 Travel	152.4	220.0	220.0
73000 Contractual	539.8	461.8	461.8
74000 Supplies	102.3	81.4	81.4
75000 Equipment	114.6	104.4	104.4
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	3,000.4	3,166.9	3,135.4
Funding Sources:			
1007 Inter-Agency Receipts	15.5	0.0	0.0
1052 Oil/Hazardous Response Fund	2,984.9	3,166.9	3,135.4
Funding Totals	3,000.4	3,166.9	3,135.4

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Interagency Receipts	51015	15.5	0.0	0.0	0.0	0.0
Restricted Total		15.5	0.0	0.0	0.0	0.0
Total Estimated Revenues		15.5	0.0	0.0	0.0	0.0

Prevention and Emergency Response**Proposed Changes in Levels of Service for FY2002**

No significant changes in services are anticipated.

Summary of Component Budget Changes**From FY2001 Authorized to FY2002 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	0.0	0.0	3,166.9	3,166.9
Adjustments which will continue current level of service:				
-Transfer a position to Response Fund Administration	0.0	0.0	-38.0	-38.0
-Year 2 Labor Costs - Net Change from FY2001	0.0	0.0	6.5	6.5
FY2002 Governor	0.0	0.0	3,135.4	3,135.4

Prevention and Emergency Response

Personal Services Information

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	36	35	Annual Salaries	1,764,928
Part-time	0	0	COLA	27,134
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	578,673
			<i>Less 4.34% Vacancy Factor</i>	(102,935)
			Lump Sum Premium Pay	0
Totals	36	35	Total Personal Services	2,267,800

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk III	1	1	1	0	3
Environ Conserv Mgr I	1	1	1	0	3
Environ Conserv Mgr III	1	0	0	0	1
Environmental Spec II	3	2	1	0	6
Environmental Spec III	4	3	5	4	16
Environmental Spec IV	4	0	0	0	4
Environmental Tech I	1	0	0	0	1
Stock & Parts Svcs Journey II	1	0	0	0	1
Totals	16	7	8	4	35

Component: Response Fund Administration

Contact: Kit Hill, Administrative Manager

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Component Mission

Manage the Oil and Hazardous Substance Release Prevention and Response Fund as a viable long-term funding source for the state's core spill prevention and response initiatives.

Component Services Provided

- Track state costs for responding to spills and take appropriate action to recover those costs from the responsible party.
- Consolidate state agency requests for response funds to manage and direct the state's spill prevention and response priorities.
- Manage the Prevention and Response Accounts of the Oil & Hazardous Substances Release Prevention and Response Fund.

Component Goals and Strategies

RECOVER THE STATE'S COSTS FOR RESPONDING TO AN UNAUTHORIZED RELEASE OF OIL OR HAZARDOUS SUBSTANCE.

- Notify the party liable for a spill or cleanup of their obligation to reimburse the state for expenditures associated with response to the party's spill or cleanup.
- Issue timely billings to liable parties to ensure maximum recovery of state costs.
- Record all state expenditures to control, contain, and clean up oil or hazardous substance spills.
- Refer cost recovery cases to the Department of Law for settlement.
- Develop long term strategy for maintaining a core spill prevention and response program with available revenue.
- Make recommendation to limit annual funding requests to the revenue available from the prevention account surcharge.

Key Component Issues for FY2001 – 2002

The department must manage the Response Fund to maintain an adequate level of funding for core state spill prevention and response activities. Key to attaining the goal of maintaining this program within available revenue generated by the Prevention Account surcharge is close management of state agency reimbursable services agreements and containment of state costs.

Major Component Accomplishments for FY2000

Increased collections through initiation of a more aggressive, real time billing process.

Initiated monthly billings of liable parties for any spill or cleanup activity in which the Response Account fund was accessed to fund containment or cleanup.

Worked with other state agencies to develop workplans and funding levels which focused on spill prevention and response priorities and raised the level of awareness regarding Prevention Account balance and revenue resources available for core state spill prevention and response activities.

Statutory and Regulatory Authority

AS 46.03.010, AS 46.08.005 - 070.

Key Performance Measures for FY2002

Measure: The state cleanup costs per spill per year and the state cleanup costs per contaminated site per year.

(Added by Legislature in FY2001 version.)

Current Status:

Cleanup costs are reported in the Biennial Response Fund Report.

Benchmark:

Average state cleanup costs per spill and contaminated site.

Background and Strategies:

The Department is required by law to track and recover state response and cleanup costs from responsible parties and seek compensation for damages to the state's natural resources. The goal is to continue to improve the state's accounting, cost-tracking and billing procedures to ensure timely recovery of expended costs to the Oil and Hazardous Substance Release Prevention and Response Fund.

Status of FY2001 Performance Measures

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
<ul style="list-style-type: none"> The state cleanup costs per spill per year and the state cleanup costs per contaminated site per year. 		X			

Response Fund Administration

Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	122.4	125.7	292.9
72000 Travel	4.3	7.5	7.5
73000 Contractual	1,418.5	1,480.0	1,480.0
74000 Supplies	1.3	2.0	2.0
75000 Equipment	30.6	2.0	2.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,577.1	1,617.2	1,784.4
Funding Sources:			
1002 Federal Receipts	0.0	0.0	32.0
1052 Oil/Hazardous Response Fund	1,577.1	1,617.2	1,752.4
Funding Totals	1,577.1	1,617.2	1,784.4

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
<u>Unrestricted Revenues</u>						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
<u>Restricted Revenues</u>						
Federal Receipts	51010	0.0	0.0	0.0	32.0	32.0
Restricted Total		0.0	0.0	0.0	32.0	32.0
Total Estimated Revenues		0.0	0.0	0.0	32.0	32.0

Response Fund Administration**Proposed Changes in Levels of Service for FY2002**

No significant changes in services are anticipated.

Summary of Component Budget Changes**From FY2001 Authorized to FY2002 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	0.0	0.0	1,617.2	1,617.2
Adjustments which will continue current level of service:				
-Transfer a position from Prevention and Emergency Response	0.0	0.0	38.0	38.0
-Transfer administrative support to SPAR/Response Fund Administration	0.0	31.3	93.8	125.1
-Year 2 Labor Costs - Net Change from FY2001	0.0	0.7	3.4	4.1
FY2002 Governor	0.0	32.0	1,752.4	1,784.4

Response Fund Administration**Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	2	5	Annual Salaries	215,229
Part-time	0	0	COLA	3,816
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	76,011
			<i>Less 0.73% Vacancy Factor</i>	(2,156)
			Lump Sum Premium Pay	0
Totals	2	5	Total Personal Services	292,900

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant III	0	0	1	0	1
Accounting Clerk II	0	0	1	0	1
Accounting Tech III	0	0	1	0	1
Administrative Assistant	0	0	1	0	1
Administrative Manager III	0	0	1	0	1
Totals	0	0	5	0	5

Component: Local Emergency Planning Committees

Contact: Brad Hahn, Acting Program Manager

Tel: (907) 269-7548 **Fax:** (907) 269-7648 **E-mail:** brad_hahn@envircon.state.ak.us

Component Mission

Ensure that Alaskans exposed to potential release of extremely hazardous chemicals are protected through preparation and availability of local hazardous materials response plans.

Component Services Provided

- Evaluate Tier II reports under the federal Community Right to Know law.
- Prepare Hazardous Material Response Plans for extremely hazardous substances stored in Alaska communities.
- Provide annual update to the department's annual hazardous substance inventory report summarizing Tier II data.

Component Goals and Strategies

FOCUS ON APPROPRIATE ALLOCATION OF DECLINING AVAILABLE FUNDS TO AREAS OF HIGH RISK FROM THE RELEASE OF EXTREMELY HAZARDOUS SUBSTANCES

- Prioritize funding based on risks posed by storage of extremely hazardous materials to Alaskans who may be exposed to a release.
- Improve reporting and accountability to allow evaluation of the work being completed by LEPCs against the goals of the program.
- Complete an analysis of statewide hazardous substance threats to determine funding priorities, in order to ensure that the distribution of declining funds corresponds to the relative risk posed by hazardous substances in each area.

Key Component Issues for FY2001 – 2002

Due to a significant decline in the three-percent surcharge revenue as a result of decreased flow through the Trans Alaska Pipeline System, other potential sources of funding should be identified for this project. Continue to focus declining available funds to areas of high risk from the release of extremely hazardous substances.

Major Component Accomplishments for FY2000

DEC continues to work with Division of Emergency Services to improve the reporting of LEPC activities and the accountability of funds granted to the LEPCs.

Statutory and Regulatory Authority

AS 26.23.060, AS 26.23.070, AS 26.23.075

Local Emergency Planning Committees

Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Contractual	543.4	401.7	310.9
74000 Supplies	0.0	0.0	0.0
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	543.4	401.7	310.9
Funding Sources:			
1052 Oil/Hazardous Response Fund	543.4	401.7	310.9
Funding Totals	543.4	401.7	310.9

Local Emergency Planning Committees**Proposed Changes in Levels of Service for FY2002**

No significant changes in services are anticipated.

Summary of Component Budget Changes**From FY2001 Authorized to FY2002 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	0.0	0.0	401.7	401.7
Proposed budget decreases:				
-Reduction in authorization to statutory 3% maximum for LEPC funding	0.0	0.0	-90.8	-90.8
FY2002 Governor	0.0	0.0	310.9	310.9

BRU/Component: Facility Construction and Operations

(There is only one component in this BRU. To reduce duplicate information, we did not print a separate BRU section.)

Contact: Dan Easton, Director

Tel: (907) 465-5135 **Fax:** (907) 465-5177 **E-mail:** deaston@envircon.state.ak.us

Component Mission

Assist communities in improving sanitation conditions.

Component Services Provided

- Provide grants, loans and engineering assistance for water, sewerage, and solid waste facilities.
- Develop training programs for and certify water and sewerage system operators.
- Provide over-the-shoulder and emergency assistance to system operators in remote communities.

Component Goals and Strategies

REDUCE THE NUMBER OF HOUSEHOLDS WITHOUT ACCESS TO ADEQUATE SANITATION FACILITIES.

- Secure approximately \$52 million in federal grant funds on behalf of the communities.
- Solicit applications and make approximately \$68 million in grants to communities for more than 70 sanitation facility projects in rural communities on a priority public health need basis.
- Work directly with communities to plan systems that can be operated and maintained locally.
- As agent for communities, manage private companies developing designs and supervising construction.
- Approve and track the expenditure of state and federal grant funds.

ASSIST COMMUNITIES IN CONSTRUCTING WATER, SEWERAGE AND SOLID WASTE FACILITIES.

- Secure approximately \$16 million in federal grant funds and deposit into accounts for loan to communities.
- Solicit applications and make low-interest loans to community- and certain privately-owned utilities for drinking water and wastewater projects.
- Make approximately \$20 million in grants (requiring a local match) and \$19 million in loans to communities on a priority public health need basis.
- Approve and track the expenditure of state and federal grant and loan funds.

PROVIDE ASSISTANCE TO COMMUNITY WATER AND SEWERAGE SYSTEM OPERATORS.

- Secure approximately \$1.3 million in federal grant funding for this program.
- Extend, for the first time, Remote Maintenance Worker service to Alaska Peninsula and Aleutian and Pribilof Island communities.
- Provide, via contracts with regional Native health corporations, 13 Remote Maintenance Workers to travel routinely to and assist water and sewer operators in 150 small communities across the state.
- Provide direct Remote Maintenance Worker assistance to 10 additional communities where services cannot be provided through regional Native health corporations.
- Prevent catastrophic failure and loss of any water and sewerage systems.

TRAIN AND CERTIFY WATER AND WASTEWATER SYSTEM OPERATORS.

- Begin to train and certify operators of 650 small drinking water systems as required by changes in federal law.
- Develop operator training curricula for use by private companies and the university system.
- Maintain a lending library of training materials.
- Administer 800 operator certification examinations.
- Receive and evaluate applications for certification, issue certificates, and maintain a database of 1,100 certified operators.
- Staff the Water and Wastewater Works Advisory Board which adjudicates certification decisions and develops recommendations on policy matters.

Key Component Issues for FY2001 – 2002

RURAL SANITATION. Progress towards developing basic, but safe, water and sewerage systems in rural communities - "putting the honey bucket in the museum" - will remain a top priority. Availability of an additional \$5 million in federal funds in FY2002 will allow funding of additional projects and result in a small, but real, increase in construction pace and progress.

STATEWIDE REMOTE MAINTENANCE WORKER PROGRAM COVERAGE. Filling in the last gap in Remote Maintenance Worker program coverage will be an objective for FY2002. The program provides over-the-shoulder and emergency assistance to water and sewerage system operators in remote communities throughout the State -- with the exception of the Alaska Peninsula and Aleutian and Pribilof Island communities. Delivering this much needed assistance to these communities will help guard against premature system failure, extend the useful lives of these systems through preventive maintenance, and improve system operations. New federal funds will be available in FY2002 to extend the program into that area.

SMALL DRINKING WATER SYSTEM OPERATOR TRAINING AND CERTIFICATION. Changes in federal law require that operators of small drinking water systems meet minimum performance requirements and be certified by the State. The requirement means training and certifying operators of 650 small drinking water systems. Delivering the training and certifying operators in an effective, but least intrusive, manner will be an objective for FY2002. Federal funds are available to help offset costs of this substantial effort.

Major Component Accomplishments for FY2000

MUNICIPAL WATER, SEWERAGE AND SOLID WASTE MATCHING GRANTS PROGRAM

- Awarded a total of \$18.0 million in state-funded matching grants to 22 communities for 38 water, wastewater and solid waste projects. The total local contribution was \$7.8 million.

MUNICIPAL LOANS PROGRAM

- Awarded \$52.4 million in new, low-interest loans to 7 communities for 11 water, wastewater and solid waste projects.
- Secured \$15.5 million in federal funding to add to loan account capital.
- Collected \$4.4 million in loan principal and interest for deposit into the loan funds.

VILLAGE SAFE WATER PROGRAM

- Secured \$43.7 million in federal Environmental Protection Agency and US Department of Agriculture-Rural Development grant funding for the program.
- Awarded \$42.1 million in grants for 70 water, wastewater and solid waste projects.
- Continued to work toward the goal of providing access to adequate sanitation services to rural communities. As of FY 2000 sixty-six percent of all rural Alaskan households had access to running water and sewer.

REMOTE MAINTENANCE WORKER PROGRAM

- Due, in part, to remote maintenance worker assistance, there have been no catastrophic system failures since 1989.
- Provided regular over-the-shoulder operator assistance to 160 communities.

OPERATOR CERTIFICATION PROGRAM

- Administered two statewide operator certification examinations to over 340 applicants where approximately 220 examinees attained certification or upgraded their existing certifications.
- Administered 24 special entry-level operator certification training courses and examinations with approximately 170 village operators receiving training, 94 of which achieved entry-level certifications.

Statutory and Regulatory Authority

AS 46.03.030, AS 46.03.032, AS 46.03.036, AS 46.07, AS 46.30, 18 AAC 73, 18 AAC 74, 18 AAC 76, 18 AAC 77

Key Performance Measures for FY2002

Measure: Division operating costs as a percentage of project funding. *(Revised from Legislature's FY2001 version.)*

Current Status:

In FY 2001, the Village Safe Water agency operating costs are 3.5% of the project funding.

Historical Data:

For fiscal years 1998 through 2001, funding for operating costs for Village Safe Water sanitation projects varied between 3.0 and 3.9% of project funding.

Benchmark:

The goal of the Division of Facility Construction and Operation is to manage operating costs at 4 percent, or less, of project funding.

Background and Strategies:

This measure is a revision to the measure specified in SB 281: "The agency operating costs per sanitation project." The revised measure looks at operating costs relative to project funding instead of operating costs relative to number of projects. This provides a more stable and meaningful picture of operating cost efficiency. The number of projects can vary substantially from year-to-year with some years having a large number of small projects and other years having a smaller number of larger projects. Project funding, on the other hand, is not subject to these random swings in project number and size.

At this time, the performance measure is confined to the Village Safe Water program (our largest program) where data are readily available. The measure will be expanded next year to include all division grant and loan programs.

The goal is to manage operating costs through efficiencies in how the Division manages water, sewer and solid waste grant projects. The primary strategies for improving efficiency are:

- to increase the use and role of private companies in managing projects; and
- to streamline internal operations by improving data systems and administrative procedures.

Measure: Project funding per division engineer. *(Revised from Legislature's FY2001 version.)*

Current Status:

Village Safe Water project funding per engineer is currently \$4.4 million (FY 2001).

Historical Data:

Between fiscal years 1995 and 2000, Village Safe Water project funding per engineer tripled - increasing from \$1.7 million per engineer to \$5.2 million per engineer.

Benchmark:

The goal of the Division of Facility Construction and Operation is to manage workload at, or above, \$4 million per engineer.

Background and Strategies:

This measure is a revision to the measure specified in SB 281: "The number and cost of sanitation projects per division engineer." The revised measure looks exclusively at project funding per engineer and excludes number of projects per engineer. The workload associated with a number of projects can vary substantially depending on project size and, consequently, the number of projects is not a good workload indicator. Project funding, on the other hand, incorporates project size and is a better workload indicator.

At this time, the performance measure is confined to the Village Safe Water program (our largest program) where data are readily available. The measure will be expanded next year to include all division grant and loan programs.

The goal is project management efficiency as indicated by a project funding per engineer ratio of \$4 million or more. The primary strategies for improving efficiency are:

- to increase the use and role of private companies in managing projects;
- to streamline internal operations by improving data systems and administrative procedures; and
- to develop our engineers' project management skills through training and experience.

Measure: The cost per household served.

(Added by Legislature in FY2001 version.)

Current Status:

As of this point in FY 2001, there have been no comparable projects completed and, consequently, no new data to indicate a change in this measure from the historic benchmark.

Historical Data:

To benchmark this measure, we examined the total state and federal investment in 11 projects completed between 1983 and 2000 that reflected total system development costs starting with water source development and ending with in-home running water and sewer. The average capital cost to develop a water source; provide treatment and distribution systems; and to provide wastewater collection, treatment and discharge on a per household basis was \$67,627.

Benchmark:

The goal of the Division of Facility Construction and Operation is to manage capital costs to produce a declining trend in the cost of water and sewer facilities.

Background and Strategies:

This measure examines the full capital cost of providing water and sewer service primarily to rural Alaskans. The measure reflects the high costs of construction in remote locations as well as the diseconomies of scale associated with developing utilities for relatively small numbers of customers. For these reasons, high costs are inevitable though the Division actively manages costs.

The primary strategies for managing per household costs for water and sewer systems are:

- to increase use of enclosed haul and other innovative systems where piped utilities are exceedingly expensive; and
- to assert cost control and value engineering as a primary objective throughout project planning and development.

Measure: Percentage of rural households with access to running water and sewer.

(Revised from Legislature's FY2001 version.)

Current Status:

By the end of calendar year 2000 approximately 69 percent of rural households will have access to running water and sewer. This is an increase of 3 percent over last year.

Historical Data:

The percentage of rural households with access to running water and sewer systems increased from 54% in 1996 to 66% in 1999.

Benchmark:

The Division of Facility Construction and Operation's goal is an average 4 percent annual increase in the number of rural households with access to running water and sewer systems.

Background and Strategies:

This measure is revised to focus exclusively on the specific goal of bringing running water and sewer to rural households. While the division's programs also improve sanitation systems in urban communities, the percent of households that benefit from improved sanitation systems in those communities is largely a random function of the nature of the projects underway at any given time. As such, it is not a targetable goal or particularly meaningful measure.

The primary strategies for accomplishing the goal of bringing running water and sewer to rural households are:

- to secure federal grant funds for rural sanitation projects;
- to make grants to rural communities with capacity to operate and maintain sanitation utilities for design and construction of water and sewer systems; and
- to work directly with rural communities to plan and construct water and sewer systems that can be operated and maintained locally.

Measure: Age of sanitation projects at time of replacement or major renovation.

(Revised from Legislature's FY2001 version.)

Current Status:

Data is being compiled on the historic and current status of this measure. No data is currently available, but anecdotal evidence for older systems suggests that operational life often exceeds design life.

- Historical Data

The Division has no historical data for this measure at this time.

Benchmark:

The goal of the Division of Facility Construction and Operation is that projects meet or exceed a 20-year life expectancy.

Background and Strategies:

The revised measure is suggested to replace the original, very complex measure that sought to examine whether sanitation systems being constructed with the Division's assistance are reaching their design life, and whether annualized capital and operating costs are falling within predictions. The Division does not have, and does not anticipate having, the data - particularly on operating costs which are a local responsibility- that would be required by the original measure. The revised measure seeks to answer the more basic question of whether systems are meeting their 20-year life expectancy before requiring replacement or major renovation.

The primary strategies for managing system useful lives are:

- to continue to use the Remote Maintenance Worker program to assist communities with preventive maintenance and thereby extending the lives of existing systems; and
- to assert the Division's remote maintenance workers' and engineers' arctic experience and expertise throughout project planning and development of new projects to optimize the life expectancy under what are often severe operating conditions.

Measure: Loan program fund growth, repayment delinquency and default rates.

(Not yet addressed by Legislature.)

Current Status:

The Division of Facility Construction and Operation continues to maintain a zero loan repayment delinquency and default rate. Anticipated growth in the Drinking Water Loan Fund for fiscal year 2001 is 17.9% and the Clean Water Loan Fund is expected to grow 9.0%.

- Historical Data

Both the Drinking Water and Clean Water loan funds have experienced healthy growth since inception due largely to federal capitalization grants. Loan repayment delinquency and default rates are both zero.

Benchmark:

The goal of the Division of Facility Construction and Operation is positive inflation-adjusted growth in both loan funds and zero repayment delinquency and default rates.

Background and Strategies:

This new measure is intended to gauge the performance of the division in protecting the financial health of the loan funds so that they can be a perpetual source of assistance to utilities in meeting wastewater and drinking water capital needs.

The primary strategies for protecting the financial health of the loan Funds are:

- to capture federal grant funds for deposit into the loan funds using bonding mechanisms to defray the cost of state match requirements;
- to establish loan terms that provide for healthy growth of the Funds;
- to carefully evaluate the credit worthiness and repayment ability of applicants in deciding whether to advance loans; and
- to include conditions in loan agreements that protect the State's investment and provide recourse to recover loan amounts should that be necessary.

Status of FY2001 Performance Measures

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
• Division operating costs as a percentage of project funding.		X			
• Project funding per division engineer.		X			
• The cost per household served.			X		
• Percentage of rural households with access to running water and sewer.			X		
• Age of sanitation projects at time of replacement or major renovation.			X		

Facility Construction and Operations

Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	2,336.7	2,470.5	2,615.1
72000 Travel	240.1	298.4	314.4
73000 Contractual	767.9	1,201.5	1,211.5
74000 Supplies	39.9	68.6	70.6
75000 Equipment	30.9	47.5	51.5
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	1,123.3	1,123.3	1,523.3
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	4,538.8	5,209.8	5,786.4
Funding Sources:			
1002 Federal Receipts	1,033.6	1,258.4	1,658.5
1003 General Fund Match	689.2	620.0	620.1
1004 General Fund Receipts	345.1	351.1	355.6
1005 General Fund/Program Receipts	51.4	57.2	57.2
1053 Investment Loss Trust Fund	0.0	2.8	0.0
1061 Capital Improvement Project Receipts	1,641.1	1,932.5	2,105.0
1075 Alaska Clean Water Loan Fund	371.0	461.5	462.8
1100 Alaska Drinking Water Fund	407.4	525.5	527.2
1108 Statutory Designated Program Receipts	0.0	0.8	0.0
Funding Totals	4,538.8	5,209.8	5,786.4

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Federal Receipts	51010	1,033.6	1,258.4	1,258.4	1,658.5	1,658.5
General Fund Program Receipts	51060	51.4	57.2	57.2	57.2	57.2
Statutory Designated Program Receipts	51063	0.0	0.8	0.8	0.0	0.0
Capital Improvement Project Receipts	51200	1,641.1	1,932.5	1,932.5	2,105.0	2,105.0
Restricted Total		2,726.1	3,248.9	3,248.9	3,820.7	3,820.7
Total Estimated Revenues		2,726.1	3,248.9	3,248.9	3,820.7	3,820.7

Facility Construction and Operations

Proposed Changes in Levels of Service for FY2002

Extend the Remote Maintenance Worker program to the Aleutian and Pribilof Islands--the only portion of the State not currently covered by the program.

Expand the operator training and certification program to include the 650 small public drinking water system operators not currently participating in the program as required by changes in federal law.

Summary of Component Budget Changes

From FY2001 Authorized to FY2002 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	1,031.1	1,258.4	2,920.3	5,209.8
Adjustments which will continue current level of service:				
-Convert Special FY2001 Labor Cost Fund Sources to GF	0.8	0.0	-0.8	0.0
-Year 2 Labor Costs - Net Change from FY2001	1.0	0.1	10.4	11.5
Proposed budget increases:				
-Small Drinking Water System Operator Training and Certification	0.0	0.0	165.1	165.1
-Aleutian/Pribilof Remote Maintenance Worker	0.0	400.0	0.0	400.0
FY2002 Governor	1,032.9	1,658.5	3,095.0	5,786.4

Facility Construction and Operations

Personal Services Information

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	34	36	Annual Salaries	2,063,446
Part-time	0	0	COLA	34,751
Nonpermanent	4	4	Premium Pay	21,971
			Annual Benefits	657,654
			<i>Less 5.86% Vacancy Factor</i>	(162,722)
			Lump Sum Premium Pay	0
Totals	38	40	Total Personal Services	2,615,100

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk II	2	0	1	0	3
Analyst/Programmer III	0	0	1	0	1
Division Director	0	0	1	0	1
Env Eng Associate	2	0	0	0	2
Environ Conserv Mgr I	0	0	1	0	1
Environ Conserv Mgr II	1	0	0	0	1
Environ Conserv Mgr III	0	0	1	0	1
Environ Engineer II	1	0	1	0	2
Environmental Spec III	0	0	1	0	1
Environmental Spec IV	0	0	1	0	1
Graduate Intern I	3	0	0	0	3
Grants Administrator I	1	0	0	0	1
Grants Administrator II	0	0	1	0	1
Internal Auditor III	0	0	1	0	1
Maint Spec Bfc Foreman	1	0	0	0	1
Maint Spec Bfc Jrny II/Lead	2	0	1	0	3
Planner III	0	0	1	0	1
Project Asst	0	0	1	0	1
Secretary	0	0	1	0	1
Student Intern I	1	0	0	0	1
VSW Engineer I	4	0	0	0	4
VSW Engineer II	3	0	0	0	3
VSW Engineer III	1	0	0	0	1
VSW Engineering Assoc	4	0	0	0	4
Totals	26	0	14	0	40